OVER-THE-COUNTER MARKET FEATURED IN THIS ISSUE

The COMMERCIAL and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 190 Number 5886 New York 7, N. Y., Thursday, October 1, 1959 Price 50 Cents a Copy

Editorial

AS WE SEE IT

The steel strike has already broken a number of records. If what are now being described as "fundamental issues" must be settled by an ultimate trial of strength, a good many more records could well be broken before the mills are in operation again. Organized labor in this country enjoying a monopoly for which it must thank the politicians, particularly New Deal politicians, has for years with monotonous regularity forced employers to grant higher and higher rates of pay (including, of course, the so-called fringe benefits) and to accept more and more restrictions upon management. Thoughtful leaders in industry have for some time realized that in some manner this continuous increase in costs had to be terminated if prices were not to keep moving up proportionately — and ultimately cause a collapse of the bubble. The steel industry apparently has reached the conclusion that the time for action is here and that circumstances have placed upon it the burden of initiating that action.

The labor union leaders, on the other hand, believe and not without reason, that should such an industry as steel prove able to put an end to this inflationary labor movement now, it would be followed by others — notably perhaps by the railroads which have been all but placed in the insolvency list by just such labor tactics begun long before they became general. Also feared, of course, is that the unbroken march of the wage earner toward a greater and greater share of current output, along with less and less effort on the part of the workman, might well be brought to an end. Union leaders are pleased to term their resistance to any changes in the *status quo* a struggle for a survival of the "labor movement."

Continued on page 47

Over-the-Counter Market: Biggest And Broadest—and Still Expanding

By DR. IRA U. COBLEIGH

Enterprise Economist

Viewing the Over-the-Counter Market not as a vast trading catalog of inactive or little known securities, but as a huge financial bazaar offering the broadest and most diverse inventory of securities in the world, including common stocks whose dividends have been continuous for from 5 to 175 years.

The latest count shows that there are in America 12½ million stockholders. Of these about five million hold Over-the-Counter Market stocks, a fact which proves that earlier prejudices of individual investors against such securities are fast disappearing. We are glad to note this widening investor acceptance, especially since we have for some years featured a series of editorials stressing not only the importance but the indispensability of this great trading arena.

We have all been concerned about our $290 billion national debt. It consists mainly of marketable securities; and well over 90% of all of these are traded in the Over-the-Counter Market. This market place in government securities is of transcending importance since trading there determines one of the most important prices in our entire economy—the price of money, the interest rate. It is the trend of Government bond prices that spotlights the need for an interest ceiling on long-term Government bonds higher than 4¼%.

Without the Over-the-Counter Market in municipal bonds, how would we build our city improvements — subways, water and sewage systems, roads, schools, parks, slum clearances? Without this market how would we sell the bonds to build great bridges such as the Mackinac, great turnpikes such as those in Pennsylvania or Massachusetts, New York, Connecticut, Ohio, Illinois, etc? Why every time you speed your inter-city way at a legal 60 miles an hour, and stop at a toll booth, you are paying indirect tribute to the market that made the whole thing possible—over-the-counter.

The Market for Bank and Insurance Stocks

This is an age of credit. Life on the cuff has never been so beautiful. And what are the main fountains of credit in our "affluent society"? Why banks of course — commercial banks! We have about 14,000 of them in the nation. They are, in most instances, the major financial institutions of their communities and capital stocks of leading banks have long been respected as most elite investments. Yet to buy or sell shares in any one of these 14,000 operating banks you must get your quotation, place and execute your order over-the-counter, and nowhere else.

The same is true in the case of stocks of the great majority of insurance companies—life, fire or casualty. Only within the last decade has there developed a broad investor following in life insurance company shares. Now, however, the shares of the major companies are well known. Such capital stocks life issues as Travelers, Aetna, Connecticut General, Lincoln, Franklin, Jefferson-Standard, Life Co. of Virginia trade regularly over-the-counter and, incidentally, they have all made market killings for shareholders who became such 10 or 15 years ago. Life insurance

Continued on page 20

SECURITIES NOW IN REGISTRATION—Underwriters, dealers and investors in corporate securities are afforded a complete picture of issues now registered with the SEC and potential undertakings in our "Securities in Registration" Section, starting on page 52.

The Security I Like Best

A continuous forum in which, each week, a different group of experts in the investment and advisory field from all sections of the country participate and give their reasons for favoring a particular security.

(This is under no circumstance to be construed as an offer to sell, or as a solicitation of an offer to buy, any security referred to herein.)

This Week's Forum Participants and Their Selections

Chock Full O'Nuts Corp.—Morton Globus, Manager, New Business Dept., Sutro Bros. & Co., New York City. (Page 2)

Southwest Gas Producing Co. — Gaston A. Shumate, Partner, Shumate & Co., Dallas, Texas. (Page 2)

MORTON GLOBUS

Manager, New Business Dept.
Sutro Bros. & Co., New York City
Members: New York Stock Exchange

Chock Full O'Nuts Corporation

There are only a handful of companies listed on the New York Stock Exchange whose earnings record and consistent rate of growth has been as startling as that of Chock Full O'Nuts. This select group sells anywhere from 20 to 50 times earnings, some with no yield, others yielding 1% to 2%. There are many substantial reasons why Chock Full O'Nuts impressive record should continue. The dependability of these excellent prospects, the adversity resistant qualities of the Chock Full O'Nuts business, and a 4% yield, suggest that the common shares selling around 29 (about 15 times earnings) on the New York Stock Exchange offer investors a security that is "chock full" of capital gain potentialities.


Morton Globus

The company has grown, not from a single acorn, but from a single store that sold nut meats in 1922. Today, there are 28 restaurants in the New York metropolitan area which specialize in serving quality food in clean surroundings at low prices. No one who has ever eaten in a Chock Full O'Nuts restaurant could have failed to observe the precision of serving methods; "Hands never touch the food." The immaculate preparation and service and the excellent, low cost standard menu have created a "SRO" situation in most stores at lunch hour period. Restaurants are at heavy traffic locations and have not required substantial advertising. Lately, however, an advertising program has been instituted to promote the outgoing food department. The fact that some 135,000 customers are served daily in a metropolitan area of over ten million people suggests that Chock Full O'Nuts' New York area market is far from saturated. Two more stores will be opened within four months, and another soon after that. In addition, the possibility of opening restaurants in shopping centers is being explored. New stores tend to widen the profit margin if they are as successful as the average of the old stores, since they are readily absorbed into an integrated system and add little headquarters expense.

No mention of the success formula for the Chock Full O'Nuts chain is complete without reference to the excellent personnel program headed by Vice-President Jackie Robinson, former Dodger baseball player. Thorough training of carefully selected employees combined with liberal wages, incentive, bonus, and benefit arrangements are key factors.

The Chock Full O'Nuts coffee business today accounts for 58% of sales. Chock Full O'Nuts coffee is a premium priced, vacuum packed, all-method grind coffee. Coffee sales have grown from $2.4 million in fiscal year 1954 to approximately $15,300,000 for the fiscal year ended July 31, 1959. The company is currently enlarging its coffee roasting plant in Brooklyn so that by early next year it will have a capacity on a three-turn basis of between 50 million and 60 million pounds of coffee a year, a 50% increase. A hard hitting marketing program has launched sales of Chock Full O'Nuts coffee to an important position in the New York metropolitan area, and a well planned program to penetrate other markets is in effect. Recent distribution has been secured in the Rochester-Buffalo area and the Norfolk, Virginia, area. Pittsburgh and points west are on the itinerary soon.

The development of the coffee business evidences the highest caliber of marketing know how. The management apparently knows how to go about buying its way into a new market, and is able to maintain itself profitably after acceptance has been achieved. The advertising budget for fiscal year 1958 was $800,000, presumably almost entirely attributed to the coffee business (5.4% of coffee sales). One million dollars was budgeted for fiscal year 1959 with a further increase for the coming fiscal year. Although coffee prices have been declining the past two years, this factor has not checked the growth of coffee sales in dollars. Dollar sales of the vacuum packed coffee were up 3½% in the last fiscal year, but not as much as the poundage sales' gain of 18½% because of lower retail coffee prices. This was commendable in a period that witnessed the decline of dollar volume for most coffee companies. Although the company gives no breakdown of earnings originating in restaurant or coffee business, it is believed that, currently, each division is contributing about equally to earnings.

Chock Full O'Nuts appears to have certain built-in adversity resistant qualities: Average restaurant sales of 35¢ per customer, which suggests that Chock Full O'Nuts benefits by the "trading down" tendencies of consumers during recession period. Chock Full O'Nuts coffee operation is a low overhead one. It is operated on a average, by 30 employees working on two shifts, and enjoys a very low rent. Apparently, the expenses in Chock Full O'Nuts coffee business are largely variable in nature. It should be profitable even with a considerable variation in dollar sales.

Chock Full O'Nuts is a company which has grown without recourse to significant external financing. Very little in the way of capital expenditures is needed. All stores are leased. The major factor stimulating the growth of the coffee business is advertising which is charged off against current income. Recently, management has announced that it has about 4.5 million in cash which it would like to use in acquiring some other allied business in the food field. Such an acquisition could add product lines and hasten the achievement of national distribution for the coffee business. A return after taxes, of 10% on this investment would add approximately 50¢ per share to Chock Full O'Nuts earnings. However, Chock Full O'Nuts is enjoying a return on net worth of about 25% currently, and presumably any acquisition would have to have the potentiality to reach that figure. Chock Full O'Nuts is a growth company which has been able to increase earnings in excess of 20% each year, for the past five years. Despite this rapid growth, an excellent financial position and limited cash needs in excess of retained earnings permits Chock Full O'Nuts to pay a liberal percentage of earnings as dividends. Recently, the 25¢ quarterly rate was raised to 30¢ quarterly. Earnings for the fiscal year ended July 31, 1959 equalled $1.96 per share. It appears that Chock Full O'Nuts can achieve earnings of over $2.35 per share in the current fiscal year.

Further growth of earnings in the 1960 fiscal period would suggest the possibility of another dividend increase.

The stock of Chock Full O'Nuts was publicly marketed in October, 1958 when 400,000 shares out of a total outstanding of 800,000 shares were sold to the public at $15.00. After this sale the management headed by dynamic President, William Black, retained the 50% stock interest. This stock is now traded at the New York Stock Exchange. Since its offering, the stock has ranged as high as $32. At its current price of $29, Chock Full O'Nuts is selling on a 4% yield basis, 12.5 times current earnings. Improved market recognition, coupled with increasing earnings and dividends should lead to a more liberal evaluation for the shares. Particularly, in today's market where value is so hard to find, Chock Full O'Nuts appears to be Chock Full O' Value.

Year Ended	Sales (000)	Earnings Per Share
July 31, 1959	$26,342	$1.96
July 31, 1958	24,634	1.64
July 31, 1957	22,135	1.10
July 31, 1956	18,788	.63
July 31, 1955	12,208	.21a
July 31, 1954	8,602	.11

a Not including 74c per share non-recurring profit on sale of coffee contracts.

GASTON A. SHUMATE

Shumate & Company, Dallas, Tex.

Southwest Gas Producing Co.

A few years ago the stock of Southwest Gas Producing sold at a high of 27½. Today the stock is available at a price between 9 and 10 although the company has been enjoying excellent success in adding new reserves the last two years. Furthermore, Southwest Gas Producing is relatively immune to the marketing problems besetting crude oil producers and competition from foreign oil.


Gaston A. Shumate

Southwest Gas Producing is an oil and gas producer operating in Louisiana and Mississippi. The small capitalization makes any sizable addition to reserves a significant contribution to per share value. Five years ago the company expanded its operations into South Louisiana, the "happy hunting ground" for oil exploration in recent years. The results

Continued on pgae 49

Today's Stock Market and The Medium-Long Term

By LAWRENCE R. KAHN*
Vice-President, Investment Research
A. G. Becker & Co., Inc., New York City

Mr. Kahn deals with the stock market outlook over the medium term, lays stress on the changes and the emphasis that may be witnessed, and explains what kind of companies and industries have the greater immediate prospects. Convinced that the sharpest part of the market rise is over, the investment research executive next discusses the various factors upon which the level of market prices will be based over the next number of years. He believes that the market's basic levels are not out of line with the present concepts of investment and the elements which shape them. Above all, the writer urges selectivity.

Let us set the ground work for trying to take a brief look at the stock market — First the term "stock market" has that lack of concrete meaning which is inherent in any generalization. No one buys or owns a "stock market"! People like ourselves or even as big investors as the investment trusts, buy, own or sell specific securities. Therefore, the term "stock market" means for each investor or speculator the sum of his own holdings. On the other hand, when economists, stock market analysts or crystal ball gazers discuss this topic, they mean what is represented by the "averages," which is either a small or relatively large cross section of the shares listed on the New York Stock Exchange. This average, or index, is only an indication, or a sample of a broad or narrow trend, but hardly indicative of the movement of the individual issues.

Lawrence R. Kahn

Let me be specific about this. Since August 3, if measured by the Dow-Jones Industrials, or since August 4, if measured by the far more representative Standard & Poor's 500 stock average, the market has been declining. Measured by the Dow-Jones Industrials the decline from the peak of 678.10 on August 3 to the close of 633.79 on Monday evening, September 14, was approximately 6%. Using S. & P. 500 stock average, the decline during the same period was 6.5%. Considering the fact that the market from the February low to the August high rose 14%, and from the beginning of 1958 rose 52%, the decline we have witnessed thus far can hardly be said to be very great or very impressive. On the other hand, to the man who has watched United Fruit drop from a high of 45¼ this year to the present price of 25½, or a decline of 42%, this has been a major bear market. The same can be said for the purchaser of Zenith at 136¾ who watched it fade 27.5% to 99, or the man who has a 19% loss in Texas Instruments, to use two speculative favorites, about which you normally only hear of those who made the big profits.

Securities Are a Personal Affair

In short, what I am saying is that securities, either investments or speculations, and there is nothing sinful or immoral about that latter word, are a personal affair. Each man can only appraise a stock market in the light of his own holdings and his own objectives, particularly the latter. If it could always be viewed that way and worthwhile guidance taken, there would be far less heartaches and headaches. But this is probably asking for the millennium.

In a broader sense the stock market, and here I am dealing with the misleading over-all picture, probably has a wider implication and effect than ever in the history of the nation. In the first place, it represents more money. As of July 31, the market value of the stocks listed on the New York Stock Exchange alone had a value of $310 billion, or 32% more than one year before. This does not include the issues listed solely on other exchanges, or that huge mass of stocks traded "over-the-counter."

Second, more people now directly own stock than ever before. In the last study done by the New York Stock Exchange, it was estimated that there are 12,490,000 stockholders, or almost double what it was a decade ago. This does not include the far greater group who indirectly own shares through participation in pension or profitsharing funds or through the holdings of insurance companies and savings banks. Here we have the best example of people's capitalism to match up to Mr. Khrushchev's peoples' democracy. After all 12,500,000 is more than in the entire Communist party, the ruling class of Russia.

These two factors give weight to the influence the securities markets have on the economy over and above the normal effect on business financing and business psychology. But what affects the market and on what pillars is it based?

What Affects the Market?

The market today represents a combination of economic, psychological and political factors tempered by the vast socialogical developments within our country

Continued on page 39

*An address by Mr. Kahn before the American Diecasting Association, Chicago, Ill., September 17, 1959.

"THE OVER-THE-COUNTER MARKET: BIGGEST AND BROADEST — AND STILL EXPANDING"

ARTICLE starting on the cover page, "The Over-the-Counter Market: Biggest and Broadest — And Still Expanding" discusses the investment opportunities inherent in securities available only in the Over-the-Counter Market as exemplified in the tabulations showing the names of banks and companies which have paid consecutive cash dividends for 10 to 174 years (Table I, page 21) as well as those in the 5- to 10-year category (Table II, page 42).

INDEX

*Columns not available this week.

Published Twice Weekly
The COMMERCIAL and FINANCIAL CHRONICLE
Reg. U. S. Patent Office
WILLIAM B. DANA COMPANY, Publishers
25 Park Place, New York 7, N. Y.
REctor 2-9570 to 9576
GEORGE J. MORRISSEY, Editor
WILLIAM DANA SEIBERT, President
CLAUDE SEIBERT, Vice-President
Thursday, October 1, 1959

Every Thursday (general news and advertising issue) and every Monday (complete statistical issue — market quotation records, corporation news, bank clearings, state and city news, etc.).

Other Offices: 135 South La Salle St., Chicago 3, Ill. (Telephone STate 2-0613).

Reentered as second-class matter February 25, 1942, at the post office at New York, N. Y., under the Act of March 8, 1879.

Subscription Rates

Subscriptions in United States, U. S. Possessions, Territories and Members of Pan-American Union, $65.00 per year, in Dominion of Canada, $68.00 per year. Other Countries, $72.00 per year.

Other Publications

Bank and Quotation Record—Monthly, $45.00 per year. (Foreign Postage extra).

Note—On account of the fluctuations in the rate of exchange, remittances for foreign subscriptions and advertisements must be made in New York funds.

Observations . . .

BY A. WILFRED MAY

ANOTHER AID AGENCY A-BORNING

WASHINGTON—Irked and embarrassed by a representation of his attitude toward current trends in international aid which recently appeared in *Time* magazine, the Managing Director of the International Monetary Fund, Mr. Per Jacobsson, has issued the following disclaimer (which will be carried in the periodical's next issue):

A. Wilfred May

"The current edition of a news-magazine published in the United States contains statements that incorrectly represent my views with regard to international financial assistance, and the proposed International Development Association. The publication alleges that I believe some of the less developed countries have had too much foreign assistance, and that I oppose establishment of the International Development Association. Neither of these statements has been made by me or on my behalf."

There are a number (albeit a distinct minority) of the Finance Ministers and other Governors here representing the 68 countries participating in the Annual Meeting of International Monetary Fund, World Bank, and International Finance Corporation, who might comment that the Fund's chief executive indeed *should have* so expressed himself. Apart from the question of general over-assistance, the United States proposal for a new billion-dollar dollar-aid agency named International Development Association, harbors some basic inconsistencies with the Fund's sound principles. This code of soundness was vigorously re-expressed here by Mr. Jacobsson in presenting the Fund's Annual Report here on Monday.

The newly planned organization, first proposed at last year's New Delhi meeting by Secretary of the Treasury Anderson with the blessing of President Eisenhower, was brought up for formal adoption here via a resolution submitted by the Secretary, with strong endorsement by World Bank President Eugene Black.

Purpose and Method

IDA's purpose would be to fill the need of capital-poor countries that cannot qualify for credit from the "hard-lending" World Bank. They are to be accommodated, at least by the use of "soft loans," namely long-term low interest cost credit extensions, partly repayable in local currencies. Over the former opposition of free-lending advocates, IDA would be a close affiliate of the Bank, that is, a separate financial entity, but managed by the Bank's officials and personnel.

As now envisaged, the authorized capital would be $1 billion, with possible additional local currency subscriptions. Member nations' subscriptions would be proportioned the same as in the Bank; the United States' contribution expected to come to $350 million-plus.

These subscriptions would be made in part in gold or fully convertible currencies, and in part in members' own national currencies. The course of the use of the local soft currencies is to be determined.

The member nations would be the same as the make-up of the World Bank, with the voting likewise weighted according to the capital subscribed.

Anderson-Sponsored

The new institution has the vigorous support of our Secretary of the Treasury (though not of all his associates) for three principal reasons, each in a sense "getting us off the hook." (1) It will substitute multi-lateral for bi-lateral lending, getting other countries to share the aid-burden, including difficulties of collection, with us who have already so expended $64 billion—mostly in grants—since World War II. (2) As an immediate benefit, the United States' aim is to replace the bilateral two-year-old Development Loan Fund, through which we, who have been acting solo, have been lending at the annual rate of $700 million. (3) If this replacement is accomplished, the advent of IDA will relieve rather than aggravate our currently worrisome $4½ billion balance of payments deficit. And (4) it should provide a use for the various local currencies which we have acquired.

Potential Flaws

Although the project is still in the embryonic stage, it does seem to imply some basic contradictions to its "big sister" organizations, particularly the International Monetary Fund. It may well function in the *palliative* capacity which is so thoroughly decried. It could promote inconvertibility and the blocked currencies evil. Surely it has inflationary potentialities. Some feel it is too much a hybrid. They contend that it will be dealing in junior capital—a kind of equity capital. Or that it will traffic in neither actual loans nor grants, but perhaps merely as a facade for grants. Again, to some, it seems that this new agency represents a needless spawning of aid techniques, with partial conflict with existing multilateral agencies, including the gestating Inter American Bank. Then there is worry over the relative contributions by the subscribers. Countries, as the Netherlands, whose World Bank subscriptions are geared to their relatively large export trade rather than to their relatively low national resources, feel that an unfair penalty is thus incurred. And there is some feeling that Switzerland, which is not in the Bank, would be getting another "free ride" by the other industrial hard currency lenders if she is not persuaded to join IDA. And despite the great confidence in the person of President Eugene Black, there are doubts whether even a genius can permanently enable the single institution, the World Bank, to run simultaneously both the "store's" de luxe department and bargain basement.

The answer given to the last question is characteristic of the general rebuttals given by the proponents to all the doubts. That is, if not this, then something even worse. It would, of course, be much worse if Mr. Black and the Bank were not the managers to keep things in line, and from scuttling the entire aid machinery. Further this is the better alternative in that IDA will function as a lightning rod to ward off the real give-away project proposed in the UN as SUNFED. Under SUNFED the aid would be extended entirely through grants instead of loans. Backed by the Soviet, the voting would be equal, one by each country, under which status the Russian satellites would enjoy full participation and voting privileges.

Open Questions

The ultimate success or failure of the new Agency, whose final approval doubtless will win a large majority of the votes here this week, will depend on the settlement of many details. "There are a thousand questions for the Executive Board to settle before the project can be brought before the 1960 session of Congress," was President Black's conclusion in discussing the institution's future with this writer. And from Secretary Anderson similarly, "After full consideration by the United States' authorities, including Congress, many decisive matters will still be left for the consideration of the new institution's executives."

The decisive questions run the gamut from the proportion of hard and soft currencies, and how they are to be used (with the Treasury favoring hardness and the politically-orientated State Department, softness)—to how many nations can afford it.

A Wise Word from Erhard

For the permanent organization's long-run success or failure, we go along with the conclusion expressed to us here by German Economic Minister Erhard: "The ultimate success or failure of the operation will depend more than all else on discipline in its administration. Discipline will determine the difference between just another giveaway vehicle, and a real help to the world's financial recovery." Also applicable to the case of all soft-lending activities, say we!

The State of Trade and Industry

STEEL PRODUCTION
ELECTRIC OUTPUT
CARLOADINGS
RETAIL TRADE
FOOD PRICE INDEX
AUTO PRODUCTION
BUSINESS FAILURES
COMMODITY PRICE INDEX

Construction contracts in the United States in August declined 11% below the level of the corresponding month of 1958, but the total of $3,083,649,000 was the second highest ever reported for any August, according to F. W. Dodge Corp.

The Dodge seasonally adjusted index of construction contracts for August was 258 (1947-49=100), down from 289 in July.

According to George Cline Smith, Dodge Vice-President and economist, the decline probably stemmed in large part from the steel strike.

"Undoubtedly the steel strike had some effect," Dr. Smith said, "although it is difficult to measure exactly. There is no evidence that any great slowing of actual construction work occurred in August as the result of steel shortages. But the awarding of contracts for future jobs may well have been held up because of uncertainties over steel deliveries and prices.

"Nearly every category of non-residential buildings and heavy engineering reported a decline in August, and so did apartment buildings. Single family houses, on the other hand, gained. This pattern cannot be explained by any underlying economic factors, but it is consistent with the effects to be expected in the current steel situation. Single family homes are less dependent of steel deliveries than most other types of construction.

"The August decline should not be viewed too seriously," Dr. Smith said, "since it is largely a matter of timing, and could to a considerable extent be made up later. But the strike is now beginning to pinch, and if it is continued over many more weeks, it will become progressively harder to make up the time lost."

The single shining light in non-residential building contracts in August, according to Dr. Smith, was hospitals, up 50% over August 1958. Every other non-residential category declined, and the non-residential total of $961,101,000 was down 11% from a year ago.

Residential building contracts in August totaled $1,551,224,000, up 7% from August of last year. The contracts covered 116,269 dwelling units, an increase of 2% over last year. Both the dollar volume and number of units in apartments declined, but this was more than offset by an increase in single-family houses.

Heavy engineering contracts in August amounted to $571,324,000, a decrease of 39% from August 1958. Highway contracts were down more than 50%, and all other public works and utilities categories other than water supply and sewerage systems also declined.

Cumulative totals for the first eight months of 1959, and the percentage changes from the corresponding period of last year, were as follows: Total construction, $25,573,909,000, up 7%; non-residential building $7,841,631,000, up 3%; residential building, $12.115,843,000, up 28%; and heavy engineering, $5,616,435,000, down 16%.

Nationwide Bank Clearings 14.6% Above 1958 Week

Bank clearings this week will show an increase compared with a year ago. Preliminary figures compiled by the "Chronicle," based upon telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, Sept. 26, clearings for all cities of the United States for which it is possible to obtain weekly clearings will be 14.6% above those of the corresponding week last year. Our preliminary totals stand at $25,216,686,791 against $22,001,605,910 for the same week in 1958. Our comparative summary for the leading banking centers for the week follows:

Week Ended Sept. 26—	1959	1958	%
New York	$12,564,389,958	$10,552,653,029	+19.1
Chicago	1,182,620,929	1,100,465,751	+ 7.5
Philadelphia	1,133,000,000	1,060,000,000	+ 6.9
Boston	798,221,341	727,626,039	+ 9.7

For a detailed summary of bank clearings in U. S., refer to the Statistical Edition of the "Chronicle," issued Mondays. For this week's summary, refer to page 47 of the Sept. 28 issue.

Invoking of Taft-Hartley Law in Steel Strike "Inevitable"

Unless a last-ditch personal attempt by the President to break the steel impasse succeeds, invoking the Taft-Hartley Act is inevitable, "The Iron Age" reports.

The national metalworking weekly comments that positions on both sides were irreconcilable after the breakup of negotiations last week. It was against this firmness of each side that President Eisenhower made his appeal this week for both sides to settle their differences reasonably and promptly.

Mr. Eisenhower said he would use every conceivable personal and official influence available to him to break the impasse. This implies that he hoped to use his personal prestige to break the deadlock, before invoking T-H.

But "The Iron Age" says that Federal action now is more or less academic as far as steel supplies are concerned.

Steel stocks today are less than half what they were when the strike started. Even this is unbalanced by type, size and location. And it includes obsolete material, rusting steel, age-hardened sheets and probably some unusable items.

In addition, some of this is material in process. It can not be used unless balanced out with new supplies.

"The Iron Age" predicts that there will be steel shortages of most products for the next six months. An 80-day cooling off period probably won't produce more than 14 million tons of steel. This is about the amount needed for actual use.

There will be no real gain in steel stocks from T-H. Failure to reach a settlement after the 80-day injunction could find the country with less than 7 million tons of steel and—at the worst—prospects of a renewed strike.

Foreign steel, as an emergency source, h[illegible] [illegible]en down. Most

C[illegible]ued on page 50

Substantial Growth Ahead And a Perilous Pitfall

By ARTHUR R. UPGREN*

Frederic R. Bigelow, Professor of Economics, Macalester College, St. Paul, Minn., and Economic Consultant, First Bank Stock Corporation

Correlating economic growth and prosperity with bank liquidity, Dr. Upgren's promising picture for the next 7 years of an average family income of $7,500 and a victorious fight against inflation contains an ominously dark cloud of declining liquidity spelling substantial decline by 1970. The noted economist urges this be averted; endorses present tight money policy; dissects our economy in explaining our growing success in snubbing recessions and achieving growth; and finds increasing businessmen's knowledge of economic forces and policies is utilized by them to their benefit and the economy's.

I
Introduction

Why have we had such very substantial stability in the American economy in the past 14 years even though we have had three economic recessions? The stability has been a little better than that. It has included a substantial rate of economic growth and a very substantial diminishing rate of inflation.


Arthur R. Upgren

The recovery after each of our three postwar recessions has been from two to three times the amount of the decline in the recession. In other words, in the recovery of the same length of time as the period in which the maximum economic decline was incurred in the recession, the recovery has been very much greater than the decline.

So I suggest our built-in stability has been achieved with economic growth though not without the modest oscillations which we call the business cycle.

Next, I would like to turn to some of the policies we have adopted to resist economic recessions and to achieve economic growth "by policy." The third point with which I would like to deal is the substantial prospect for substantial economic growth in the next seven years.

As a result of these excellent prospects for the years through 1966, I wish to point out some of the most acceptable economic developments which will come to the American people, particularly in stability with economic growth and at high interest rates. Finally, with all the optimistic picture which will by this time have been developed, I want to give proper warning of the possibility of substantial economic decline at the end of the 1960's.

I now discuss the remarkable "Built-In Stability in the American Economy."

*An address by Dr. Upgren before the 46th Annual Convention of Mortgage Bankers Association of America, New York City, Sept. 23, 1959.

II
Built-In Stability in the American Economy

In the 1930's the people of the United States — and many other countries of the world—experienced the greatest depression ever recorded in our economic annals. It has now been termed: The Great Depression.

Since the end of World War II we have had three small economic recessions. They have all been moderate in character. In no case has the economic recovery in a like period of time *following* the recession failed to be at least twice as great as the decline in the recession.

What has happened to make the economy so much more stable?

The answer is that a substantial degree of stability has been built into the economy. Some of the more obvious measures which I shall not measure in detail include amortized mortgages, guarantee of bank deposits, FHA mortgage insurance arrangements, and other like structural changes in the economy.

More important than all these are the economic snubbers and stabilizers which have been built into our economic machine to give the smoother economic ride.

Just as we first built automatic snubbers into the American automobile to be followed by automatic dual-action shock-absorbers and now the extraordinarily smooth "torsion-aire ride," just so have we built stabilizers into the American economy. Then, parallel with the smoother ride of the automobile, we adopt the term "automatic economic stabilizers" for these devices which have given us a reasonably smooth economic ride through the bumps of the three recessions since the end of the Second World War.

Take for example the first, the recession of 1948-1949. Its duration from top to bottom was 12 months. The decline in gross national production—our total yearly output of all goods and services —was $9 billion. The percentage decline in output was 3½%.

Within six months after recording this decline, gross national production (GNP) recovered by $17 billion. This recovery was twice the amount of the decline and it took place in half the time. This is good.

In 1953-1954, we had our second postwar recession. This time output declined by $10 billion. Because the economy was now at a higher level, the decline was only 2¾%. It was 12 months in duration. In the next 12 months, the recovery in GNP was $30 billion. Thus in a like succeeding period of 12 months, we gained in output three times the amount of decline. This was good.

In 1957-1958 came our third postwar economic recession. Output fell $17 billion making this a somewhat larger recession. The decline was 3¾%. From top to bottom this decline took place in six months. This was one-half the duration of the two earlier postwar recessions. Businessmen had rather properly anticipated that this would be the most severe recession in the entire postwar period. Yet it hardly qualified.

In the 15 months since the low point was reached early in 1958, output had recovered $53.5 billion. This recovery again is more than three times the amount of the decline in the recession. This is very good.

As a result of the substantial recovery, unemployment has been reduced by 2,000,000, employment has reached an all-time high by a good margin, and on current revenues and expenditures, the Federal budget will produce a small surplus in the present fiscal year and possibly a $5 billion surplus in fiscal 1961. All this is extremely good.

Accounts for Recoveries

What accounts for the resistance to economic recessions in the postwar years and for the sprightliness and bounce in the economy in each succeeding recovery period?

As each of these three recessions proceeded, the economic stabilizers came into play and came into play automatically. I shall deal only with the latest recession, but the working of the economic stabilizers was even superior in the two earlier recessions. Were I to work the situation out for these two earlier recessions, they would show no difference from the model I now give.

When total output in six months declined by $17 billion in 1957-1958, the total level of consumption declined by less than $1 billion. This is remarkable that total consumption fails to fall by more than 3/10ths of 1% or $1 billion when concurrently total output falls by $17 billion and almost 4%. Ordinarily when production falls by $17 billion, we would expect that the income society wins for this total production would fall accordingly.

Nothing of the kind happened. Our income fell so little that the decline in consumption was only $1 billion where the decline in total output was $17 billion. And indeed more than even this small decline in consumption was accounted for by the decline in automobile sales alone. These automobile sales probably declined because we could not again equal in the last two years the magnificent gadget put on the automobile to make record sales in 1955. That gadget was "36 months to pay" with power steering a fair second in attractiveness.

From these two simple facts, namely a decline in production of $17 billion and a decline in consumption of only $1 billion, our economy necessarily generated a speedy recovery. When output declined so very more substantially than the consumption decline, that decline was possible because we poured inventories, in fact we liquidated inventories, so very rapidly that *production* could fall and yet total *consumption* be fully maintained.

As a result, we were selling more goods than we were producing. Whenever this is the case, production will have to rise as soon as the inventory liquidation and adjustment is completed. When consumption falls by only 3/10ths of 1%, this act of completion of inventory liquidation can be accomplished, as it was in a short period of time, namely six months.

Now as inventory liquidation came to an end, production had to rise sharply. It did. That was good. Moreover, as production increased, incomes now were enlarged accordingly. This sent consumption up to higher levels, and required more production. Now later, we have moved into inventory accumulation. It was the recovery I have just described which sent GNP up by $53.5 billion in 15 months for a total recovery more than three times the amount by which output fell in the recession.

So we have now explained why we have had so sharp a recovery. The pattern I have just described prevailed in each of our postwar recessions.

Sustaining Consumption

But if consumption held up, we may ask: From whence came *the maintained income* to support this level consumption?

Here is where the automatic economic stabilizers come into play. There are several of them so I shall deal with them in the order of their importance.

The first stabilizers we find in the recession were provided by business and businessmen, though they get very little credit for this economically noble action. What happened was that corporate profits fell by $12 billion. This does not appear to be good, or was it?

When corporate profits fall, total *expenses* must have moved above total *sales revenue* from production. When corporate profits fell as they did by $12 billion in the recession, then corporate expenses had moved $12 billion above the rate of sales. This is logically taut.

Now the principal of expense of corporations is wages and materials and supplies. Materials and supplies are simply in largest part the wages of some other producer, so we can say that the principal element in the total expense was wages.

This we can readily appreciate when we recall escalation clauses in wage contracts. These have sent the rate of steel wages up by 17 cents an hour since 1956. Then we also have "productivity factors" increasing wages automatically by 2½% a year for the automobile industry. We also have contracts running several years with continued yearly stipulated increases in wages. Finally, businessmen continued to give wage increases through the recession. As a result of all these arrangements we find that wages in the recession fell by only $5.6 billion. This we can contrast with a fall in production of $16.8 billion. Thus ignoring small reconciliations, with which we need not burden ourselves, the decline in corporate profits of $12 billion served as the greatest "assist" in holding wages at a trend line $11.2 billion above total production. This is indeed good.

It may well be, and we can leave judgment here to the business executive, that the fact that one-half of the fall in profits was suffered as a loss in tax receipts by the United States Treasury rather than by the corporations may be why businessmen did so maintain wages. In fact, the revenues from corporation taxes did fall $5.9 billion and the retained profits of corporations fell by only $6.1 billion. Only by this latter amount was the cash or retained earnings position of the corporations worse than in the period before the recession. Thus we see, in effect, the excellent purchase we made for this $6 billion of the Federal budget deficit (the total deficit was $12.5 billion in the fiscal year which ended June 30, 1959). The loss in Federal revenues was undesirable, but the magnificent desirability of a quick $53.5 billion recovery in total production was many more times desirable than the loss in tax revenues was undesirable.

In fact, this recovery in output has now in 1959 increased Federal tax revenues from corporations by $8 billion in the recovery since early 1958. To this rise in tax revenues from corporations we can add a rise of $4 billion in personal taxes. And the whole recovery is not yet complete.

Now we see that wages fell by only $5.6 billion. This was the decline *in wages paid for men at work*. Against this decline we can offset the increase in unemployment compensation payments of $3.3 billion. Now we see that total personal income — wages to those that work and unemployment compensation to those thrown out of work—fell by only $2.3 billion.

As personal income fell by this small amount, the personal tax

Continued on page 46

The Tax-Exempt Bond Market

By DONALD D. MACKEY

The Tax-Exempt Bond Market showed some improvement last week. The *Commercial and Financial Chronicle's* High Grade State and Municipal Bond Index Yield was lowered from 3.59% to 3.57%. Moreover, most of the dollar-quoted State and Municipal revenue issues were quoted from one-half to one point better.

Yields on tax-exempt bonds appear to have reached a level that has begun to attract investors formerly more interested in stocks and other types of equity investment and savings. Although inflation remains as the single most potent factor in the economy, there are indications that inflation may be slowly coming under control. With a balanced Federal Budget a possibility and with tight money limiting the expansion of credit, some types of equity investment seem less attractive to investors. There is a strong tendency to shift part of such funds into longer term tax-exempt bonds.

Heavy Buying by Insurance Companies

Insurance companies have been heavy buyers during this year's higher yielding tax-exempt bond market. It is reported that the Life Companies alone bought about 65% more tax-exempts during the first seven months of 1959 than during the like period of 1958. In July alone, they bought approximately $125 million State, Municipal and Authority bonds against about $35 million a year ago.

This broad investor interest has maintained a favorable technical position of the municipal bond market, even during July and August when all phases of the bond market were easy. As the municipal market went lower, fewer new issues were brought out and very few large issues were sold. With the return on good tax-exempt bonds yielding from 4% to 5%, even a few investors, including the Life Companies, made purchases enough to reduce the secondary market supply to manageable proportions. The Street Float, as reported by the *Blue List*, is now well under $200 million. This is less than is considered normal, particularly at this time of year.

Recent Issues Well Received by Investors

Recent new issues have been well received by investors, generally. The $44,000,000 Cook County, Illinois issue was all sold. $12,000,000 Orange County, California bonds are about all sold. The $2,300,000 Essex County, New Jersey issue went well, as did $1,800,000 Hastings, Constantia etc., New York, School District bonds. Last week's largest item, $25,000,000 Port of New York Authority bonds, was not awarded as the one bid received was not satisfactory to the bi-State agency. Failure of this offering to materialize was directly traceable to the filing of a suit in the New Jersey Federal District Court attacking immunity of the Authority's bonds from Federal taxation. Because of this, another syndicate decided not to submit a bid for the bonds.

The large $32,000,000 Indianapolis-Marion County, Indiana Building Authority issue was awarded Tuesday (9/29) to a group headed by Blyth & Company. It was reported Wednesday morning that the issue was practically a sellout. The bonds, due 1995-1999, were 4⅛s, priced to yield 4.20%. The $6,500,000 Prince Georges County, Maryland, school and various purpose issues bought by the Kidder, Peabody group was sold down under $1,000,000 on initial offering. The $15,900,000 of Detroit, Michigan, issues were bought by a Drexel and Company, Chemical New York Trust group and are reported about half sold.

Heavier Financing Ahead

The new issue Calendar, due partly to the more favorable market and partly to the pressure for funds by many issuers, is expanding rapidly. For the month ahead, already more than $400,000,000 of issues are scheduled to be sold. Although next week's total is relatively light, a real test, at the present rate of market improvement, is foreseeable in the near future.

At present, there are no important negotiated type issues scheduled or slated for imminent flotation. On the prospective Calendar, however, is the $210 million Chesapeake Bay Bridge and Tunnel Commission, Virginia, revenue issue. When this financing materializes, the underwriting syndicate will be headed by First Boston Corp., Allen & Co., Merrill Lynch, Pierce, Fenner & Smith Inc., (handling the books), and Willis, Kenny & Ayres, Inc.

Then, too, the Tacoma, Wash., Public Utility Board just recently concluded arrangements for Smith, Barney & Co. and McLean & Co. to handle the marketing of over $100 million revenue bonds to finance Cowlitz River dam projects.

Current Market on Representative Serial Issues

	Rate	Maturity	Bid	Asked
California (State)	3½%	1978–1980	4.00%	3.90%
Connecticut (State)	3¾%	1980–1982	3.70%	3.60%
New Jersey Highway Auth., Gtd.	3%	1978–1980	3.65%	3.50%
New York (State)	3%	1978–1979	3.50%	3.40%
Pennsylvania (State)	3⅜%	1974–1975	3.45%	3.35%
Vermont (State)	3⅛%	1978-1979	3.30%	3.20%
New Housing Auth. (N. Y., N. Y.)	3½%	1977-1980	3.55%	3.40%
Los Angeles, Calif.	3¾%	1978–1980	4.05%	3.90%
Baltimore, Md.	3¼%	1980	3.70%	3.60%
Cincinnati, Ohio	3½%	1980	3.60%	3.50%
New Orleans, La.	3¼%	1979	3.85%	3.70%
Chicago, Ill.	3¼%	1977	3.90%	3.75%
Boston, Mass.	3¾%	1977	3.85%	3.75%

Index = 3.58%

DOLLAR BOND QUOTES AND RELATED INFORMATION

(Prices and yields are approximate)

Issue—	First Callable Date (as a whole)	Call Price	Offering Price	Net Changes from Prev. Week	Yield to Maturity
Chelan Co., Wash. PUD No. 1 5% 7-1-2013	1-1-1978	100	106	+1½	4.68%
Chicago-O'Hare Airport 4¾% 1-1-1999	1-1-1974	104¾	104¼	+1	4.52%
Chicago Reg. Port 4% 7-1-1995	7-1-1962	103½	94	(*)	4.30%
Florida Turnpike 3¼% 4-1-1995	4-1-1962	103½	87½	+2	3.90%
Grant Co., Wash. PUD No. 2 3⅞% 11-1-2005	5-1-1966	103	93	(*)	4.22%
Illinois Toll Highway 3¾% 1-1-1995	1-1-1965	103¾	70½	—½	5.70%
Illinois Toll Highway 4¾% 1-1-1998	1-1-1978	104¾	87½	—½	5.54%
Indiana Toll Highway 3½% 1-1-1994	1-1-1962	103	81½	+½	4.55%
Jacksonville, Fla. Exp. 4¼% 7-1-1992	7-1-1967	103	101	+½	4.19%
Kansas Turnpike Authority 3⅜% 10-1-1994	10-1-1962	103	73½	+¾	4.97%
Kentucky Turnpike Authority 3.40% 7-1-1994	7-1-1960	104	88½	+1	4.02%
Mackinac Bridge Authority 4% 1-1-1994	1-1-1964	108	92½	(*)	4.43%
Maine Turnpike Authority 4% 1-1-1989	1-1-1958	104	83	—½	5.13%
Massachusetts Turnpike Authority 3.30% 5-1-1994	5-1-1962	103½	80¾	(*)	4.38%
Massachusetts Port Authority 4¾% 10-1-1998	10-1-1969	104	99½	+1	4.77%
New Jersey Turnpike Authority 3⅜% 7-1-1988	7-1-1958	103½	94	(*)	3.71%
New York Power Authority 3.20% 1-1-1995	1-1-1963	103	83½	+1½	4.08%
New York Power Authority 4.20% 1-1-2006	1-1-1970	103	99½	+1½	4.23%
New York Thruway Authority 3.10% 7-1-1994	7-1-1960	103½	84	+1	3.95%
Ohio Turnpike Authority 3¼% 6-1-1992	6-1-1959	103	86¼	+1¼	4.01%
Pennsylvania Turnpike Authority 3.10% 6-1-1993	6-1-1959	103	83	(*)	4.02%
Richmond-Petersburg Turnpike 3.45% 7-1-1995	7-1-1963	103½	80½	+1½	4.56%
Tri-Dam Project, Calif. 3.05% 7-1-2004	7-1-1959	104	81	+1	3.96%
Virginia Toll Revenue 3% 9-1-1994	9-1-1959	105	85	(*)	3.77%

(*) Unchanged.

LARGER ISSUES SCHEDULED FOR SALE

In the following tabulations we list the bond issues of $1,000,000 or more for which specific sale dates have been set.

Information, where available, includes name of borrower, amount of issue, maturity scale, and hour (EDT) at which bids will be opened.

October 1 (Thursday)			
Austin, Texas	$6,500,000	1964-1984	Noon
Austin, Texas	1,000,000	1961-1980	Noon
Pharr-San Juan-Alamo Ind. School District	1,400,000	1960-1978	1:00 p.m.
Stratford, Conn.	2,400,000	1960-1979	Noon
October 5 (Monday)			
Jefferson County, Texas	3,000,000	1961-1979	Noon
New Britain, Conn.	1,330,000	--------	--------
North Montague Co. Water Supply District, Texas	1,200,000	1962-1998	Noon
Quincy, Illinois	5,000,000	1960-1978	8:00 p.m.
October 6 (Tuesday)			
Dundee Community S. D., Mich.	1,350,000	1960-1998	8:00 p.m.
New Albany - Floyd Co. Building Authority, Ind.	2,450,000	1962-1999	3:30 p.m.
Pittsburgh, Pa.	4,100,000	1960-1979	11:00 a.m.
Rockingham Co., North Carolina	3,000,000	1961-1983	11:00 a.m.
Sunnyvale, Calif.	1,432,000	1960-1979	11:00 p.m.
Torrance Unified Sch. Dist., Calif.	2,000,000	1960-1979	Noon
Volusia County, Fla. (West Volusia Hospital Authority)	1,000,000	1961-1979	7:30 p.m.
Walworth County, Wis.	5,000,000	1960-1979	11:00 a.m.
Wayne County, Mich.	26,000,000	1962-1968	11:00 a.m.
October 7 (Wednesday)			
Miami Beach, Fla.	1,335,000	1960-1979	11:00 a.m.
October 8 (Thursday)			
New Haven, Conn.	1,153,000	--------	--------
October 9 (Friday)			
North Little Rock, Ark.	5,350,000	--------	--------
October 12 (Monday)			
Garden City School Dist., Mich.	3,700,000	1960-1987	8:00 p.m.
October 13 (Tuesday)			
Beverly Hills, Calif.	795,000	1960-1974	7:30 p.m.
Beverly Hills, Calif.	905,000	1984	7:30 p.m.
Jefferson Cons. School Dist., Mich.	2,000,000	--------	--------
Norwalk, Conn.	2,665,000	--------	--------
Volusia County Spec. Tax School District, Fla.	5,000,000	1961-1979	11:00 a.m.
October 14 (Wednesday)			
Denver, Colo.	17,000,000	1970-1998	12:30 p.m.
Natchitoches Parish Water Works District No. 1, La.	1,231,000	1961-1989	Noon
Robstown Ind. Sch. Dist., Texas	1,000,000	--------	--------
Steeton Borough Authority, Pa.	1,030,000	1961-1999	8:00 p.m.
October 15 (Thursday)			
New Hampshire (State of)	15,991,000	1960-1988	11:00 a.m.
New York City, N. Y.	18,000,000	1960-1974	Noon
October 19 (Monday)			
Collier County, Fla.	1,490,000	--------	--------
October 20 (Tuesday)			
Hamilton Common S. D., Mich.	1,250,000	1960-1988	8:00 p.m.
Local Housing Authorities	102,145,000	--------	--------
Montreal, Quebec	20,000,000	(SEC)	
October 21 (Wednesday)			
California (State of)	7,500,000	1964-1983	1:00 p.m.
October 22 (Thursday)			
Lake Worth, Fla.	2,100,000	--------	--------
Laquemine, La.	1,000,000	--------	--------
October 27 (Tuesday)			
Los Angeles County Flood Control District, Calif.	21,150,000	1961-1983	Noon
October 28 (Wednesday)			
Hampton, Virginia	2,500,000	--------	--------
Pennsylvania General State Auth.	25,000,000	1962-1986	Noon
October 29 (Thursday)			
Camden School District, N. J.	3,300,000	1960-1982	8:00 p.m.
November 9 (Monday)			
Enfield, Conn.	2,000,000		
December 1 (Tuesday)			
Columbus, Ohio	10,010,000	1962-1986	Noon

Coming Events

IN INVESTMENT FIELD

Oct. 1-2, 1959 (Kansas City, Mo.)
Southwestern Group Investment Bankers Association annual party at Hotel Muehlbach and Oakwood Country Club.

Oct. 2-3, 1959 (Dallas, Tex.)
Dallas Security Dealers Association annual field day at the Ridglea Country Club.

Oct. 14, 1959 (New York City)
New York Group Investment Bankers Association of America 39th annual dinner at the Waldorf Astoria.

Oct. 14-17, 1959 (Philadelphia, Pa.)
Consumers Bankers Association 39th annual convention at the Warwick Hotel.

Oct. 20-23, 1959 (Hollywood-by-the-Sea, Fla.)
National Association of Supervisors of State Banks annual convention at The Diplomat Hotel.

Oct. 22, 1959 (Cincinnati, Ohio)
Ohio Group of Investment Bankers Association annual fall meeting.

Oct. 25-28, 1959 (Miami Beach, Fla.)
American Bankers Association Annual Convention.

Oct. 30-31, 1959 (St. Louis, Mo.)
National Association of Investment Clubs annual convention at the Sheraton Jefferson Hotel.

Nov. 1-5, 1959 (Boca Raton, Fla.)
National Security Traders Association Annual Convention of the Boca Raton Club.

Nov. 18, 1959 (Minneapolis, Minn.)
Twin City Investment Women's Club dinner and meeting at the Can Can Room, Hotel Dyckman.

Nov. 29-Dec. 4, 1959 (Bal Harbour, Fla.)
Investment Bankers Association Annual Convention at the Americana Hotel.

April 6-7-8, 1960 (Dallas, Tex.)
Texas Group of Investment Bankers Association of America 25th annual meeting at the Sheraton Dallas.

Los Angeles Office Opened by McDonnell

LOS ANGELES, Calif.—McDonnell & Co. Inc., members of the New York and American Stock Exchanges, has opened a branch office in the Security Building, 510 Spring Street, it was announced by T. Murray McDonnell, President. Leon H. Grayson and Roland Seidler, Jr., formerly associated with a leading Los Angeles member firm, have been appointed Resident Managers of the new office, the eighth in the McDonnell organization.

Established as an investment firm in 1905, McDonnell & Co. Inc. was among the first of the national brokerage houses to locate on the West Coast when it opened a branch in San Francisco in 1913.

Headquarters of the firm are at 120 Broadway, New York, with major branches located in New York City; Chicago, Ill.; Detroit, Mich.; Los Angeles and San Francisco, Calif.

With Prescott Co.

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio—Roger S. Struck is now with Prescott & Co., National City Bank Building, members of the New York and Midwest Stock Exchanges. He was formerly with Merrill Lynch, Pierce, Fenner & Smith Incorporated.

Dealer-Broker Investment Recommendations and Literature

IT IS UNDERSTOOD THAT THE FIRMS MENTIONED WILL BE PLEASED TO SEND INTERESTED PARTIES THE FOLLOWING LITERATURE:

Atomic Letter No. 50—Current development in radiation use and nuclear navy—Atomic Development Securities Co., Inc., 1033 Thirtieth Street, N. W., Washington 7, D. C.

Burnham View — Monthly Investment Letter — Burnham and Company, 15 Broad Street, New York 5, N. Y. Also available in current **Foreign Letter.**

Canada's Oil and Gas—Analysis—Draper Dobie & Company, Ltd., 25 Adelaide Street, West, Toronto, Canada.

Electronics for Industry—Review—A. M. Kidder & Co., Inc., 1 Wall Street, New York 5, N. Y. Also available is a review of **Insurance Stocks** and reports on **Columbian Carbon Co., Falstaff Brewing Corp.** and **Gillette Co.**

Fuel for Electric Generation—Analysis 1954-1958—Edison Electric Institute, 750 Third Avenue, New York 17, N. Y.

Glass Container Industry—Report—Reynolds & Co., 120 Broadway, New York 5, N. Y. Also available is a memorandum on **Northwest Bancorporation.**

Japanese Stock Market—Study of changes in postwar years—In current issue of "Nomura's Investors Beacon"—Nomura Securities Co., Ltd., 61 Broadway, New York 6, N. Y. Also available is a review of the outlook for Plant and Equipment Expenditures in Japan for 1959 and brief analyses of **Mitsubishi Heavy Industries, Nippon Flour Mills Co., Iwaki Cement Co. and a survey of the Steel Industry.**

Japanese Stocks—Current Information — Yamaichi Securities Company of New York, Inc., 111 Broadway, New York 7, New York.

Over-the-Counter Index—Folder showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones Averages and the 35 over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to yield and market performance over a 20-year period—National Quotation Bureau, Inc., 46 Front Street, New York 4, N. Y.

Small Cars—Report—Bache & Co., 36 Wall Street, New York 5, N. Y. Also available is a report on **Railroad Equipment Stocks, Car Rental & Leasing Companies, Parts & Signal Manufacturing Companies** and **Car** (freight and passenger) **Manufacturers.**

Treasure Chest in the Growing West—Booklet on industrial opportunities in the area served—Utah Power & Light Co., Box 899, Dept. K, Salt Lake City 10, Utah.

U. S. Industry & the Challenge of the Common Market—Discussion in October issue of American Investor—American Investor, American Stock Exchange Building, New York 6, N. Y.—15c per copy; $1.00 per year. Also in the same issue are articles on **Rolls-Royce Inc., Tenney Engineering, Maine Public Service, Spencer Shoe Corp.**

Wisconsin Corporations—Data—Robert W. Baird & Co. Incorporated, 110 East Wisconsin Avenue, Milwaukee 2, Wis.

* * *

Abitibi Power & Paper Company Ltd.—Report—Ross, Knowles & Co., Ltd., 25 Adelaide Street, W., Toronto, Canada.

Aluminum Co. of America—Memorandum—J. A. Hogle & Co., 40 Wall Street, New York 5, N. Y.

American Steel Foundries—Review—Hirsch & Co., 25 Broad Street, New York 4, N. Y. Also in the same circular is a review of **Gimbel Brothers.**

Bethlehem Steel—Report—Thomson & McKinnon, 2 Broadway, New York 4, N. Y.

Billups Western Petroleum Company—Report—W. E. Hutton & Co., 14 Wall Street, New York 5, N. Y.

Bird & Son, Inc. — Memorandum — Schuster & Co., 37 Wall Street, New York 5, N. Y.

Brunswick Balke Collender Company—Analysis—De Haven & Townsen, Crouter & Bodine, Land Title Building, Philadelphia 10, Pa.

Butler Brothers—Analysis—Hardy & Co., 30 Broad Street, New York 5, N. Y.

Carriers & General Corp. — Memorandum — Merrill Lynch, Pierce, Fenner & Smith Incorporated, 70 Pine Street, New York 5, N. Y. Also available are memoranda on **Gimbel Bros., Madison Fund,** and **North American Car Corp.**

Chicago Pnuematic Tool Company — Analysis — Montgomery Scott & Co., 120 Broadway, New York 5, N. Y.

Colorado Fuel & Iron—Analysis—Eastman Dillon, Union Securities & Co., 15 Broad Street, New York 5, N. Y. Also available are reports on **W. T. Grant Company, Commonwealth Edison Co., Dayton Power & Light Co., General Public Utilities Corp., Interstate Power Co., Iowa-Illinois Gas & Electric Co., Kentucky Utilities Co., Otter Tail Power Co., Public Service Co. of Indiana, Public Service Co. of New Hampshire, Public Service Electric & Gas Co., Southern Nevada Telephone Co., Texas Eastern Transmission Corp., Upper Peninsular Power Co., Utah Power & Light Co.,** and **Wisconsin Electric Power Co.**

Crown Cork & Seal Co. — Memorandum — Woodcock, Hess, Moyer & Co., 123 South Broad Street, Philadelphia 9, Pa.

Dura Corp.—Report—Hayden, Stone & Co., 25 Broad Street, New York 4, N. Y. Also available is an analysis of **Owens-Illinois Glass Company.**

Ferro Corporation—Analysis—Grimm & Co., 2 Broadway, New York 4, N. Y.

Fischer & Porter Company—Analysis—H. Hentz & Co., 72 Wall Street, New York 5, N. Y.

Frito Co.—Memorandum—Dittmar & Company, Inc., 201 North St. Mary's Street, San Antonio 5, Tex.

Gillette Company—Analysis—Hornblower & Weeks, 40 Wall Street, New York 5, N. Y.

Great American Insurance Company — Analysis—Milwaukee Company, 207 East Michigan Street, Milwaukee 2, Wis. Also available are reports on **Fisher Governor Company,** and **Southern Nevada Power Company.**

Hoffman Electronics—Analysis—William R. Staats & Co., 111 Sutter Street, San Francisco 4, Calif.

International Harvester Company—Report—Harris, Upham & Co., 120 Broadway, New York 5, N. Y.

Lock Joint Pipe Company—Analysis—Walston & Co., Inc., 74 Wall Street, New York 5, N. Y.

Macco Corporation — Report — Leason & Co. Incorporated, 39 South La Salle Street, Chicago 3, Ill.

McCrory McLellan Stores Corporation—Analysis—Gude, Winmill & Co., 1 Wall Street, New York 5, N. Y.

Merchants Trust Co. of Red Bank — Memorandum — I. George Weston & Sons, 210 Broadway, Long Beach, N. J.

Mergenthaler Linotype Company—Analysis—Herzfeld & Stern, 30 Broad Street, New York 4, N. Y.

Microwave Associates, Inc.—Analysis—May & Gannon, Inc., 140 Federal Street, Boston 10, Mass.

Mortgages Inc.—Memorandum—Russell Investment Co., Boston Building, Denver 2, Colo.

Northern Plastics Corp.—Memorandum—Loewi & Co. Incorporated, 225 East Mason Street, Milwaukee 2, Wis. Also available are reports on **Basic Products Corporation** and **R. R. Donnelley Sons Company.**

Reheis Co., Inc. — Analysis — Boenning & Co., 1529 Walnut Street, Philadelphia 2, Pa.

Southwestern Electric Service Company—Annual and quarterly reports—Southwestern Electric Service Company, Mercantile Bank Building, Dallas, Tex.

Sovereign Resources, Inc. — Analysis — John R. Maher Associates, 32 Broadway, New York 4, N. Y.

Statham Instruments, Inc. — Report — Dean Witter & Co., 45 Montgomery Street, San Francisco 6, Calif. Also available is an analysis of **Douglas Aircraft Company.**

Studebaker-Packard—Analysis—du Pont, Homsey & Company, 31 Milk Street, Boston 9, Mass.

United Carbon—Analysis—Halle & Stieglitz, 52 Wall Street, New York 5, N. Y.

Vapor Heating Corporation—Analysis—Swift, Henke & Co., 135 South La Salle Street, Chicago 3, Ill.

West Virginia Pulp and Paper Company—Analysis—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

Ralph Van der Naillen Forms Own Firm

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, Calif.—Ralph E. Van der Naillen has formed Van der Naillen & Co., with offices at 301 Pine St., to engage in a securities business. Mr. Van der Naillen, a member of the Pacific Coast Stock Exchange, was formerly a partner in Henry F. Swift & Co. Prior thereto he was an officer of A. G. Becker & Co.

R. E. Van der Naillen

Edwin Jacobs With Greene and Company

Edwin Jacobs

Greene and Company, 37 Wall Street, New York City, has announced that Edwin Jacobs has joined their trading department.

First Securities 20th Anniversary

DURHAM, N. C.—First Securities Corporation, 111 Corcoran Street, underwriters, participating distributors and dealers in general market securities and municipal bonds, is celebrating its 20th anniversary in the securities business.

Offcers are Charles F. Jones, President and Treasurer; William D. Croom, Robert King, Jr., W. Erskine Duff, and Thomas White, Jr., Vice-Presidents; Margaret Bullock, Secretary and Assistant Treasurer; and J. William Bonner, Assistant Secretary and Assistant Treasurer.

Harry Goldberg

Harry Goldberg, partner in Steiner, Rouse & Co., New York City, passed away suddenly Sept. 22 at the age of 55.

Inflation and Stock Prices Do Not Go Hand in Hand

By JOHN M. TEMPLETON

President, Nucleonics, Chemistry & Electronics Shares, Inc. New York City

Beliefs generally held by, or preached to, investors are exploded; a classical theory is confirmed; and investors are advised that past decade's handsomely rewarding policies may not be the profitable ones to pursue in next ten years. Mr. Templeton doubts the next bear market in stocks will drop as low as ten years ago and attributes present bear market to correction of share prices outpacing price inflationary rise.

Travel and study of stocks and bonds in other nations serves two purposes. Firstly, it leads to discovery of attractive opportunities in the securities of those nations. More importantly, a study of the exotic conditions and investment trends in other lands helps us to understand more clearly what can happen in our own nation. It teaches us to question the economic theories and fads popular here. It gives us deeper respect for the fact that the most unexpected things can happen and often do.

John M. Templeton

Investor psychology has always been subject to extreme waves of pessimism and optimism. The wave of optimism that has been building up for ten years is world wide and not confined to the United States. In every one of the nine nations included in the tabulation below, share prices have risen, from 67% to 1,060%, in this decade.

The 1950s may go down in history as the "golden decade." Almost every nation has reached a new peak of prosperity. Probably for the first time in the long history of the world there are no two nations anywhere on the earth who are at war in a military sense. Never before was the rate of scientific discovery so rapid. The effort devoted to research in science is at least 20 times as great as it was in any year before the second World War.

For more than 20 years, I have written about the trend toward inflation and about the advantages of common stocks as long-term investments. But even a good thing can be carried too far. Now that we have enjoyed rising stock prices for many years, some people are beginning to believe in a perpetual bull market. We see more and more people who think that by dabbling in stocks in their spare time they have found an easy way to get rich quickly. The longer the bull market lasts, the more widespread is the human urge to get on the bandwagon. For students of investments and for students of human emotions, these days are increasingly fascinating and exciting.

New Investment Policies Needed

Actually, when looking toward the future, nothing is certain but change. The next ten years are likely to be very different indeed from the last ten. Those most willing to take great risks have been handsomely rewarded in the last ten years, but in the next ten years different policies may be more profitable.

The next bear market in stocks is not likely to carry prices as low as the bear market that ended ten years ago in 1949. Because of growing population and national income, and because of creeping inflation, at the rate of 2% annually in the last ten years, there is good reason for a long-range upward trend in share prices. In other words, basic economic forces in this nation seem to justify a long-term upward trend of about 4%, compounded annually, in share prices. If a bear market low happens to occur 15 years after the 1949 bear market low, then there are good reasons why that low should be about 80% higher than the 1949 low of 161 on the Dow Jones Industrial Average. Unless pessimism is more severe at the end of the next major downward trend, then that trend might not carry below 290 on the D. J. I. A. That figure itself looks low when it is compared with today's level, which is more than 100% higher. In the last ten years, when the United States suffered only 20% inflation, share prices rose 296%. Such a rise exceeds normal, and sooner or later a major correction can be expected. As we look back now on one of the longest bull markets in history and try to look forward to the possibilities of the next ten years, it is especially important to study conditions in more than one nation. Therefore, we are tabulating here some of the facts and trends about investments in those nine nations which have the best-developed securities markets:

	Present: Stock Yields	Present: Govt. Bond Yields	Natl. Inc. per Capita
England	5.0%	4.8%	$1,000
Holland	4.6	4.1	710
Japan	3.9	7.5	250
Canada	3.4	5.4	1,550
Italy	3.4	5.4	410
U. S. A.	3.0	4.1	2,150
Germany	2.6	3.6	810
Switzerland	2.5	3.2	1,250
France	2.0	5.3	780

	Ten-Year Increase in: Share Prices %	Bond Yields %	Cost of Living %	Natl. Income %
Germany	+1,060	—38	+11	+179
France	+ 385	—18	+83	+140
U. S. A.	+ 296	+77	+20	+ 73
Italy	+ 284	— 4	+30	+ 78
Japan	+ 211	—25	+33	+203
Canada	+ 165	+80	+26	+ 90
England	+ 127	+46	+50	+ 80
Holland	+ 106	+25	+41	+112
Switzerland	+ 67	+ 8	+11	+ 63

Theories Exploded

Thoughtful examination of the facts tabulated above reveals the danger of relying on some of the economic theories currently popular here. For example, there is a popular theory that inflation and increasing cost of living necessarily lead to higher share prices. Therefore, it is interesting to see that in the three nations with the least inflation, share prices rose an average of 474%, whereas in the three nations with the most inflation, share prices rose only 206%.

Those of us with large investments in Canada will be interested to see that, while national income in Canada rose 24% more than U. S. national income, share prices appear much less inflated, having risen 44% less than U. S. share prices.

Another theory popular today is the idea that rapid industrial growth causes a shortage of capital, with resulting higher interest rates. Therefore, it is thought provoking to see that the two nations that enjoyed the greatest increase in national income are also the two nations with the greatest declines in interest rates.

All our lives, we have been taught that stocks normally yield more than Government bonds. Therefore, although the condition may be temporary, it is interesting to observe that stock yields exceed bond yields now in only two of these nine nations. The greatest disparity now is in France and in Japan.

It is a classical theory that rising interest rates exert a restrictive influence on share prices. This is substantiated by the figures shown above. In the four nations where interest rates declined, the average share price rose 485%; whereas, in the five nations where interest rates increased, the average share price rise was only 152%.

During these 10 years there has been a tendency for bond yields to equalize between nations and also a tendency for stock yields to equalize. Quite possibly this tendency will continue. The disparity between interest rates in Japan (7.5%) and Switzerland (3.2%) is likely to decrease, and so is the disparity between stock yields in England (5.0%) and France (2.0%).

Successful investing is not an easy job. It requires an open mind, continuous study and critical judgment. Changes of trend occur when least expected. Policies profitable for the last 10 years will not be best in the next 10. Investors can protect themselves against the unexpected partly by diversification and partly by long-range investment programs carefully thought out and often restudied. The cornerstone of successful investing is a group of trained security analysts continually searching for best bargains and for particular corporations likely to forge ahead most rapidly.

Executive Changes at Hornblower & Weeks

Effective Oct. 1, 1959, a number of important changes are to take place in the 71-year-old firm of Hornblower & Weeks, 40 Wall Street, New York City, leading investment banking and stock brokerage house, according to an announcement by Joseph T. Walker, Jr., who will become the firm's senior partner. For 11 years Chairman of the Executive Committee, Mr. Walker joined Hornblower & Weeks in 1934.

Howard E. Buhse

Howard E. Buhse, formerly senior partner in the Chicago office, who was in charge of the firm's extensive Mid-western operations, will become Chairman of the Executive Committee and will move to the firm's main office in New York. Mr. Buhse became associated with Hornblower & Weeks in Chicago in 1929. He will be succeeded in Chicago by Charles R. Perrigo.

William R. Rovensky, who joined the firm in 1920, will become a limited partner. As senior partner in the New York office for many years, Mr. Rovensky has been active in all divisions of the business and has contributed substantially to the growth of Hornblower & Weeks to a leading position in the underwriting field.

Tristan Antell, also located in the New York office and in charge of the Research and Statistical Department, will also become a limited partner at that time. He has been associated with the firm since 1942. C. Austin Barker will assume charge of the department relinquished by Mr. Antell, and George T. Flynn will head the Underwriting-Syndicate Department, which was formerly one of Mr. Rovensky's responsibilities. Both Mr. Rovensky and Mr. Antell will continue to make their headquarters in the New York office at 40 Wall Street, where they will act as consultants to the firm.

Clifton P. Walker, another Chicago partner, is also moving to the New York office and will continue to concern himself with the activities of the Corporate Finance Department, which were his primary concern in Chicago. He has been with the firm since 1953.

Harry H. Wildeman, who joined Hornblower & Weeks in 1953, and Leo H. Gillespie, who joined in 1930, will be admitted to the firm as general partners on Oct. 1. Mr. Wildeman will continue his activities in the Corporate Finance Department in the Chicago office; and Mr. Gillespie will be in charge of the Operations Departments of Hornblower & Weeks' seven offices in New England. He will have his headquarters in Boston.

Joins Emch & Co.

MILWAUKEE, Wis.—Kenneth L. Kiles has joined the staff of Emch and Company, 3965 North 60th St.

The French Position on European Economic Integration

By DR. PAUL ALPERT*

Professor of Economics at the Graduate School of New York University

Author, "Twentieth Century Economic History of Europe" (Henry Schuman, 1951)

A French point of view on the rupture over economic integration by protectionist France, now committed to liberalizing trade within EEC, and free trade Britain which joined the Coal and Steel Community, but not EEC, and now is forming the Free Trade Association, pictures the schism in terms of a conflict of interest and a matter of principle over imperial preference. Dr. Alpert claims Britain's traditional attitude toward European political and economic unification "had been always one of opposition"; points out France seeks harmonization of tariffs and quotas to prevent goods entering a low tariff member country from entering a high tariff country; and states France still is anxious for a practical compromise. The author believes the disagreement could be settled on the lines of the proposal made by the London "Economist" last spring.

Until the 20th century, nationalism in France, as also in other countries had been too robust to accept political or economic unification at the expense of national sovereignty. And I frankly admit that the first attempt of economic unification of the continent of Europe: Napoleon's Continental system was far from being an unqualified success.

Dr. Paul Alpert

It was, however, a French statesman, Aristide Briand, who during the interwar period had been the first to recognize the value of European economic unity for the establishment of peace and prosperity in Europe. He made an attempt to concretize this idea progagated by the admirable crusader, the Count of Coudenhove-Kalergi, by submitting in 1930 to the League of Nations a proposal for the establishment of a European Customs Union. It is easy to imagine what might have been the consequences of the implementation of such a proposal: Germany's breakdown, the Nazi revolution and World War II might have been avoided. However, the time for the implementation of this idea had not yet come, public opinion was not yet ready to accept it. Not only had this proposal been resisted by Great Britain, but in France too, raised in a protectionist tradition, support was far from unanimous or enthusiastic.

The experience of World War II, during which the idea of European unification—under the slogan of "New European Orders" — had been the cover for the atrocious oppression and exploitation of the continent by the Nazis, might have destroyed its appeal. However, the opposite occurred. The ideal of supreme sovereignty of national states had suffered a crushing blow as a result of the war in all countries of continental Western Europe involved in the conflict. All of them, including France and also Germany, had been, at one time or another, unable to preserve their integrity or even independence and had had to submit to foreign occupation. The practical limitations of the traditional exclusive concept of nationalism became thus obvious. In a world such as had emerged from World War II, more and more dominated by continental super-states' United States and Soviet Union, the necessity for the European states to move towards unity, in order to avoid becoming mere pawns in the game of world politics played by the Biggest Two, in order also to maintain or rather to reestablish the influence of Europe and to preserve its cultural values, was more and more recognized. In France, in particular, the European Federalist Movement had gained a considerable influence during the early postwar period, being actively supported by leading representatives of all trends of non-communist opinion: socialists like Andre Philippe and Guy Mollet, moderate rightists like Paul Reynaud and above all Catholic M.R.P.s like Georges Bidault and Robert Schuman.

This trend gained considerable support from the attitude of the two super powers. This support was of a positive nature for the United States. It was expressed in particular in the Marshall plan, which emphasized European economic integration as a desirable method of achieving its main objective: recovery of the economy of Western Europe. Possibly even more important had been the negative support provided by the common fear of the Soviet Union which already dominated the eastern half of the continent.

In this movement towards a greater economic unity of Europe, there became rapidly apparent a divergence of views between Great Britain and France, the latter representing an approach it had in common with most other countries of the continent.

U.K.'s Oppositon

This disagreement was naturally based not only on economic but also on political grounds. France, as well as other countries of the continent, having lived through the experience of disaster during the war, was not only ready to accept an integration with limitation of national sovereignty, but desired subintegration, as a method of establishing a permanent link of solidarity between member states, overcoming memories of past conflicts and abolishing the danger of their recurrence. On the contrary Britain, having been spared this experience and considering itself, owing to its bonds to the Commonwealth to a great extent an extra-European power, was ready to accept only cooperation of a rather limited scope, such as for liberalization of inter-European trade under the O.E.E.C. Thus it was the opposition of the United Kingdom which had prevented extension of authority for the Council of Europe in economic and political fields and limited its impact to a purely moral influence.

This refusal of Britain to make any commitment to a real economic and political integration justified, in the view of French statesmen desirous to move ahead in this direction, the decision to leave the United Kingdom aside and to enter into closer agreement with other countries of the continent willing to do so.

The first major attempt of economic integration was the Coal and Steel Community born out of the fertile imagination of Jean Monnet, who had already been the initiator of the postwar French equipment and modernization plan. It was however called Schuman plan, in honor of the French Minister of Foreign Affairs who officially submitted this proposal.

The main purpose of the Schuman plan was more political than economic. The obvious desire to integrate Western Germany with the other members of the Community coincided with the need for controlling in the common interest the basis of its resurgent power, the coal and steel resources of the Ruhr, and particularly the former. After the end of the war, France had with great difficulties succeeded in establishing the International Authority for the control of the Ruhr, which was expected to ensure that the coal mined in the Ruhr would be shared equitably by all countries depending on it and not reserved for the exclusive needs of the German steel industry, which would have impeded growth of steel manufacture in other parts of Western Europe and particularly in French Lorraine. With the gradual rise in influence of Western Germany, due mainly to the cold war, it became obvious that the Bonn Government would not accept much longer such unilateral control over its resources. Monnet's proposal solved this difficulty by creating a regional authority which would control on equal terms coal and steel production in all participating countries.

At the same time it was a pilot scheme in economic integration which was relatively easier to implement than for other sectors, owing to the comparatively homogeneous nature of the industries concerned, and for steel to an old tradition of private international agreements. For these reasons, while there had been naturally some resistance from the less competitive establishments in each country to the disappearance of tariff barriers on movements of coal and especially of steel, such resistance had been relatively easy to overcome.

Results of Schuman Plan

Today, after about seven years of operation of the Community, it seems that on the whole the experiment has been quite successful. Production of steel has increased for the Community as a whole from 1950 to 1958 by 82%, a rate of progress nearly equal to that of the Soviet Union during the same period and far higher than either in the United Kingdom or in the United States. Contrary to some fears expressed previously, this increase has not been limited to the strongest steel industry, that of Western Germany, but has been greatest in the country having the smallest steel industry and apparently the least favorable natural conditions: Italy . . . Increase in Italian production has been 165% and in Germany 88%. As to France, while during these eight years growth of its steel production had been slower than in Germany, only 69%, this was mainly due to the fact that recovery of production in the Ruhr from its postwar low had come later than in France. Compared to the last prewar year, 1938, steel production had increased in 1958 by 27% in Western Germany and by 135% in France.

The present crisis of coal production in the Community and the difficulties experienced in trying to agree on a common policy may reflect the contradiction inherent in integrating only one sector, while general economic policies which naturally react on the integrated sector are still gov-

Continued on page 33

*From a talk by Dr. Alpert before the New York Metropolitan Economic Association, New York City.

Trade Unions in the Free World Aid Soviet's Growth Rate

By PAUL EINZIG

Dr. Einzig finds Mr. Khrushchev's row with American labor and, three years ago, with British labor most contradictory. The writer states Mr. Khrushchev should be gratefully pleased, rather than angry with them, for their pursuit of policies which are said to hamper productive growth and to foster price inflation. Suffering no such restrictions, Dr. Einzig finds Russia can grow at a faster rate than we can since our labor policies hold back our growth—permitting Russia to close the gap which would otherwise not be the case.

LONDON, England — The row between Mr. Khrushchev and Mr. Reuther and other American Trade Union leaders received much publicity in Britain where the "moderate" wing of the Labor Party had a similar conflict with the Soviet leader on the occasion of his London visit three years ago. It is of course understandable that there should be no love lost between moderate labor leaders and Communists. The latter have virtually exterminated moderates in Communist countries and regard trade unionists in the West as the abject servants of capitalism.

Paul Einzig

Yet the truth of the matter is that the Soviet Government owes a great debt of gratitude to trade unionists in the United States, Britain and other industrial countries. They have rendered and are still rendering an immense service to the Communist cause by holding up the expansion of production in the free world. That Mr. Khrushchev was rude to Mr. Reuther instead of conferring on him the highest Soviet Order is just another proof of Communist ingratitude. For Mr. Reuther, and his fellow-leaders of Trade Unions in the United States and Britain, have done their utmost to assist the Soviet Union towards winning the economic contest against the free world.

British and American trade Unions have been primarily responsible for the setback in industrial expansion during the last two years, while Soviet Russia and other Communist countries are forging ahead unhampered by trade union obstructionism. Of course I can only speak about conditions in Britan on the basis of first-hand knowledge. But from what I read and hear about conditions in the United States, any difference between the attitude of Trade Unions to production in the two countries is merely one of degree.

Trade unions in the free countries are guilty of holding up industrial expansion and increase in productivity in the following ways:

(1) Restrictive practices prevent the increase of output to full capacity.

(2) Resistance to the adoption of labor-saving equipment for fear of redundancy slows down automation.

(3) Terms of employment and dismissal insisted upon by Trade Unions discourage automation by making its application too costly and reducing its profitability.

(4) Once resistance to automation is overcome, Trade Unions claim that practically the entire benefit from it should be allotted to the employees.

(5) Excessive wage demands generate inflation and force the authorities to resort to credit restrictions, causing thereby a setback in production.

Any Soviet trade union leader who would attempt to interfere with the expansion of production would find himself in some arctic labor camp if not in some even worse place. Because they are not in a position to hamper production in any of the above ways, the Soviet Union is at considerable advantage in the economic race with the free countries.

What trade unionists in free countries fail to realize is that they are bound to benefit by an expansion of the output and, indeed, the only way in which they can hope to achieve a higher living standard is through an expansion of the output. There should be no economic or social obstacles in the way of the progress of automation. There is none in Soviet Russia. There the only limit to progress of automation is set by the limitations of technological possibilities.

Short-sighted trade unionists in the West, pursuing their policy of unenlightened self-interest, discourage the progress of automation, either by directly opposing it, or by insisting on terms which tend to make its adoption unprofitable, or by creating conditions in which restrictive monetary policies must handicap its progress. They prevent the consumer from deriving any benefit from automation in the form of lower prices. They want to grab the entire benefit for themselves in the form of high wages.

It is true, being consumers themselves trade unionists would stand to benefit through an effect of increased productivity on prices. But others besides themselves, too, would benefit by it, and that would never do. The hard-faced trade union bosses want the entire benefit for their members. In their short-sightedness they go so far that, rather than share the benefit with other classes, they prefer to forego any benefits by preventing progress.

It may well be asked, what is the use of being rude to Mr. Khrushchev if the policies of those who are rude to him greatly help him and his Government in his effort to catch up and surpass progress in the West? At this very moment Trade Unions both in Britain and in the United States are engaged in action that is bound to handicap production and will tend to narrow down the gap between the standard of living in Communist countries and in the free world.

In Britain the Amalgamated Engineering and Shipbuilding Unions have just put in a demand for a big increase in wages and a reduction of the working week. Whom the gods want to destroy they deprive him of his senses. British shipyards are already gravely handicapped by foreign competition, and if even a fraction of this new claim is met many of them are bound to close down. The claim will have to be resisted, and there is bound to be a major strike in a few months, and production will fall.

In the United States the steel strike threatens to cause an all-round reduction of the output. Trade Unionist greed is greatly helping the Soviet Union in the race for economic supremacy. How it is that highly intelligent men like Mr. Reuther and his colleagues do not see this? If they are really as strongly anti-Communists as their attitude towards Mr. Khrushchev tried to indicate, why not help their country to win the race?

A Bright Sales Outlook For Chemicals in 1960

By ALLAN B. CLOW*

Vice-President, Marketing, American Cyanamid Company
New York City

A bright outlook for chemical producers is based upon an analysis of the industries that affect the chemical industry's sales and output as well as an analysis of the overall economy. Mr. Clow predicts a record high in 1960 for the industry, exceeding what appears to be a banner year this year, and continuing favorable profits. Drug sales, which are not as cyclically sensitive as other chemicals, are viewed as likely to maintain the same 10% gain in 1960 over 1959 as seems likely in 1959 over 1958—helped by increased investment in research and development. The appraisal made does not overlook problems still to be solved and uncertainties that challenge but do not change the high level of activity projected.

Developments in economic activity point toward new peaks in chemical production next year. Output, as measured by the present Federal Reserve Board index (1947-49=100) is likely to exceed 225, a gain of about 10% over 1959. Total sales may top $28.5 billion — two and one-half billion more than in 1959, which in itself so far seems to be a banner year for both chemical manufacturers and for the economy as a whole.

Allan B. Clow

Better Profits' Picture Seen

Factory shipments of chemical and allied products for the first eight months of the year have increased sharply over last year's corresponding period. Gains have been registered in nearly every major product group. Furthermore, a number of factors have caused a reversal of the downward trend in profit margins which has been experienced in recent years. One of these is expansion of volume, accompanied by reduction in unit costs. Another is the firming of prices which occurred in some product lines. A third is the introduction of newer and better products, frequently yielding higher margins. As these influences continue to be felt, the profit outlook over the near-term should remain favorable.

Inventories Found Declining

This year, customer requirements in excess of industry production have reduced inventories of chemicals in the hands of manufacturers—a continuation of the pattern set during the second half of 1958. Rather than being deliberate on the part of chemical producers, this decline in stocks seem to have resulted from inability to "fill the pipeline" swiftly enough to keep pace with rising demand. This development has occurred at a time when inventory accumulation has been widespread in most other segments of the economy. In 1958, the chemical industry's inventory-sales ratio declined to 1.8 month's supply for the fourth quarter. It rose moderately as 1959 began, but fell back in the second quarter. With a spurt in customer demand foreseen in the final months of the year, it seems probable that rebuilding of inventories may be confined to the third quarter—except for those chemical raw materials that may be affected by the steel strike.

Optimistic About Overall Economy

In order to predict the fortunes of the chemical industry, a projection of general business activity must be made. This step has become increasingly important in recent years as the development of mass markets for our products in nearly every other major industry has progressed. I expect that the tapering off in business expansion witnessed in the third quarter is attributable to the steel strike, and, therefore, temporary and that peak levels in most industrial areas will be achieved or held in the remaining months of 1959. The momentum of this expansionary movement is likely to carry over into next year when new sales and output records will be set.

Total output of all goods and services will easily surpass the $500 billion mark in 1960. Past experience suggests that in this prosperous period chemical industry sales and production will also rise to new peak levels. This appraisal is confirmed by careful consideration of probable customer requirements in coming months. These requirements, as mentioned previously, have been considerably greater in 1959 than a year ago as a result of the strong pickup in overall business activity, in general, and of heavy demand for the products of industries to which chemical producers sell in particular. Let me cite some examples.

The construction industry, a heavy consumer of plastics and other chemical products, is now in one of its most profitable periods. Home building in 1959 has exceeded most expectations and important gains have also been registered in commercial building, apartment dwellings, highway and other public construction. Although it is anticipated that the volume of housing starts, which have tapered off since mid year, will continue at somewhat reduced levels in 1960 due to tighter monetary conditions, commercial, industrial and public housing are expected to show healthy increases next year compared in 1959.

Drugs' Outlook

Sales and profits of drug manufacturers in the early months of this year rose substantially less than shipments and earnings for the chemical producers as a whole. However, inasmuch as the pharmaceutical industry usually is less affected by severe fluctuations in general business, revenue gains would not be as great in recovery periods as those for more cyclically sensitive industries. Thus, the 9% increase in drug sales for the first-half of 1959 over the similar 1958 period is encouraging although still below the recent long-term growth rate of 12% per year. For the year as a whole, sales are likely to exceed those of a year ago by about 10%. The growth in research and development expenditures in pharmaceuticals — $190 million this year versus $127 million a year ago — assures continued acceleration in new product development. Probably, demand will be sufficient to generate a further 10% gain in sales over the next 12 months.

The automobile industry has shown renewed vigor in 1959 and production seems likely to eclipse the 5.5 million mark. The introduction of the new small cars of major manufacturers, revamped styling and improvements on standard makes, and record consumer incomes, point toward an excellent sales and profit picture for this industry next year. Demand seems adequate to justify production of 6.5 million cars in 1960.

Agricultural Market

In agriculture, higher farm costs and lower prices are expected to offset increased marketings, resulting in a decline in farm income in 1959. However, fertilizer and pesticides remain among the farmers' best buys from a profit standpoint. Approximately normal weather conditions in the first-half of this year lent support to the increased marketing of farm chemicals and consumption rose sharply for the marketing year ended last June 30 compared with the same period a year earlier. However, there were important regional variations resulting from abnormal weather or insect infestation (e.g., bollweevil numbers were relatively small), which affected sales of individual manufacturers differently. Although weather is always an imponderable when projecting the agricultural market, we expect relatively high farm income levels and continued strong demand for farm chemical products in the forecast period.

The 1960 outlook for the textile industry is one of the few that qualifies for the over-worked phrase "cautious optimism." The optimism stems from its sales outlook, the caution from a possible recurrence of its perennial malady — over-accumulated inventories. Order backlogs are enormous and are still piling up, with bookings for early 1960 production coming in at an encouraging rate. Based on the gains foreseen for consumer incomes, ultimate demand for textile products in 1960 may well show another 4 or 5% year-to-year gain following the 8 to 10% boost expected in manufacturers' sales this year. In contrast to the industry's past propensity for creating chaos by increasing output beyond levels dictated by rising sales, so far this year mills have by and large held themselves to a five-day operating week and the outcome has been dramatic. Not only have they pared stocks, but firmer prices have boosted profit margins; the First National City Bank reports a better than 300% gain in textile manufacturers' first-half earnings over a year earlier. Keeping my fingers crossed that these results may encourage mill owners to continue their self-restraint in scheduling production and replenishing inventories, I look for 1960 output of textiles to match that of 1959.

The foregoing industries are only a few of those that can be mentioned in support of the bright outlook for chemical products. The prevailing spirit of optimism will also be reflected by healthy sales improvement in other major customer industries including rubber, petroleum paint and paper manufacturers.

Reinforcing the Conclusion Reached

Reinforcing the conclusion that high levels of output will be sustained in 1960 is the confidence displayed by most business leaders, and reflected in their plans for capital expansion next year. The chemical industry, for example, will invest more than $1.4 billion in 1960 for plant and equipment improvements and expansion, an increase of more than 4% over 1959, according to the annual McGraw-Hill survey conducted earlier this year. Other major industries, automobiles, steel, rubber, machinery, electronics manufacturing and railroads plan to expand expenditures for similar facilities net year beyond the substantial increases which occurred this year. Moreover, industrial investment in research and development will reach a new peak in 1960.

However, rising costs, typical of the later stages of recovery periods, together with modest increases, if any, in chemical prices, will maintain pressure on profits. In this connection, it is interesting to observe that while industrial wholesale prices advanced 22% in the 1948-58 decade, chemical prices rose only 6.4%.

The projections which I have discussed are based on analyses conducted by our company economist.

Does Not Overlook Problems

The foregoing appraisal, bright as it is, should not imply that we have solved our problems and that uncertainty over future economic developments has been eliminated. On the contrary, many challenges must be met forthrightly if we are to achieve the sustained high levels of activity which have been projected. Some of these problems relate to governmental policies on certifications for new agricultural and food chemical products, patents, taxes, mergers and pricing; others to foreign competition — not so much in the aggregate for chemical producers as for specific products. Many of us are concerned over excess capacity — again for particular products rather than in broad categories. Challenges to marketing men are presented by the increasingly heavy domestic competition. Finally, management faces continued pressure of rising costs.

Solutions to these problems will not be easy to find. Although none of these clouds on the economic horizon is likely to be of such magnitude as to darken the bright future foreseen, their import is strong enough to warrant serious consideration if healthy economic growth is to be maintained.

*An address by Mr. Clow before the 7th Annual Marketing Conference of the National Industrial Conference Board, New York City, Sept. 18, 1959.

Two With Amos Sudler

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo. — Joan C. Goodale and Charles E. Morris have become affiliated with Amos C. Sudler & Co., 818 Seventeenth Street.

Join Quinn Staff

(Special to THE FINANCIAL CHRONICLE)

DENVER, Colo.—Frank T. McConnell and Laurence Criley have joined the staff of Quinn & Co., 828 17th Street. Both were formerly with Cruttenden, Podesta & Co.

The Choice Before Congress Is a Momentous One

By HON. ROBERT B. ANDERSON*

Secretary of the Treasury, Washington, D. C.

Concerned about being locked out of the market for long-term money at a time when $73 billion in Treasuries come due in the next 12 months, Mr. Anderson warningly outlines where we stand today in a choice between sound and unsound fiscal-monetary policies, and sound and unsound economic growth. Mr. Anderson asserts "growth cannot be forced in a free choice society"; outlines the prerequisite factors, role and the methods Government should take in aiding economic growth; and, after pointing out inflation is not inevitable and that prospects are bright for an improved budget situation this fiscal year, he hopes Congress will properly act on the Government bond ceiling rate so our economy will not be jeopardized.

Life insurance may come in a variety of packages, but all contracts have one thing in common: the policyholder exchanges current income for dollars in the future. The attractiveness of the product is tied directly to the future value of the dollar. Inflation is not just a scare-word — the industry has seen its effects over the past 20 years, as the purchasing power of the dollar has shrunk to less than half its former value. And it knows that if the future value of the dollar is not protected, the industry will suffer. No group has a greater direct interest in safeguarding and strengthening our currency.

Robert B. Anderson

The vigorous and effective campaign conducted by the life insurance industry during recent months in support of sound Government financial policies, which are essential to a stable dollar, represents a vital contribution to the public interest. These efforts grow out of the firm conviction, which I share, that future progress in this nation and in the industry must be based on the solid foundation of a reasonably stable currency.

Sound money, and the maintenance of the purchasing power of the dollar that it implies, is properly a goal in itself. The millions of Americans who hold savings in the form of life insurance contracts, Government savings bonds, savings accounts in financial institutions, social security, and in other forms are entitled to the assurance that these invested dollars will not shrink in value because of inflation. But sound money is more than an end in itself; it is absolutely essential if our other important economic objectives—as well as noneconomic objectives such as our national security—are to be realized as fully as is possible.

We are dedicated to the attainment of three important economic goals—

Continuity of job opportunities for those able, willing, and seeking to work;

A sustainable rate of economic growth;

Reasonable stability of price levels.

Each of these objectives is important. Each is fundamentally related to the others.

Growth—But Not at Any Cost

The desirability of promoting continuity of job opportunities and stability in the purchasing power of the dollar has been emphasized for years. Only recently has continuing economic growth been recognized as a major economic objective. Some observers appear to believe that economic growth at a dramatic and unprecedented rate is of such overriding importance that it must be achieved at *any* cost. According to this view, Government should utilize all of its capabilities and powers to guarantee a record-breaking rate of growth, year in and year out, regardless of other developments in our competitive economy.

This view is wholly inconsistent with our basic ideals. The strength of our economy stems from reliance on the integrity, wisdom, and initiative of the *individual*—not the directors of an all-wise government. Just as our political system is one of free choice, in that each individual is free to select the party and candidate of his choosing, so is our economic system one of free choice. The consumer, by casting his dollar votes in the market place, selects the goods to be produced, their quantities and characteristics.

Free Society Can't Force It

Growth cannot be *forced* in a free choice economy. The essence of economic freedom is the right to dispose of our incomes as we see fit—to consume or to save, to invest or not to invest. These decisions, arrived at freely and independently by millions of people and institutions, are a central and highly important factor in the growth process.

If we are to maintain our freedoms, the Government cannot be the predominant factor in our nation's economic advancement. Its role must be to foster and facilitate growth—not to force it. Economic growth at an artificial rate, forced through unsound practices, can only cause the loss of some of our most cherished economic freedoms—or inflation—or both.

While Government cannot force growth in a free economy, it can do much to promote sound, sustainable economic progress. We can realize maximum success in this endeavor only if we understand the nature of growth and the forces that influence it in our type of economy.

Economic growth is usually thought of in terms of the annual increase in real gross national product—that is, growth in the dollar value of total output, adjusted for changes in price levels. For some purposes this is a good measure of economic growth; for others it is not.

Poor and Good Growth

This particular measure of growth is deficient, in the first place, because it tells us nothing about the nature of the growth that takes place. This is simply another way of saying that promotion of growth for its own sake could result in an unwanted type of growth. An increase in output, to be meaningful, must consist of the useful goods and services that people want and are able to buy.

Secondly, a broad, aggregate measure of growth provides only a partial clue as to whether the growth that takes place is sustainable. If an upsurge in output proceeds at an unsustainable pace, and if strong pressures on prices are allowed to build up, we run the risk of falling back to a lower level of output.

We must look behind the broad measures of growth. We must ask searhing questions about its characteristics.

When growth has taken place, how much did consumption expand relative to government use of goods and services? How much of the government portion consisted of military hardware as opposed to schools, highways, and other public facilities? How much of the increase in output was composed of goods that people did not want—goods which ended up in government warehouses being given away, destroyed, or sold for less than true value? What portion of total output was devoted to enlargement and modernization of business plant and equipment and to research? How much of our effort had to be devoted merely to maintenance of plant and equipment, as opposed to net new additions?

There are other important questions. How were the fruits of the growth in output distributed among various groups in the economy? Was the growth characterized by distortions and imbalances that would hamper future growth? To what extent was temporary growth stimulated by actions that impinged on the free choice of individuals and institutions?

These questions indicate that economic growth, in terms of a specific figure, is not an end in itself. It must be growth of the right kind. It must be sustainable. It must have a reasonable distribution.

In an economy so highly dynamic and complex as ours, with its primary emphasis on the freedom of individual decisions, the factors influencing the rate of growth are necessarily manifold and complex.

The pace of technological advance is one of the more important factors. No one can study the economic history of this or of any other advanced industrial nation without being impressed by the vital contributions of the inventor, the innovator, and the engineer. Man's ingenuity in tackling and solving his problems lies at the heart of the growth process.

Cruciality of Savings

Technological advance alone, however, cannot assure a high rate of growth. The best ideas and the best techniques are of little benefit if the means are not available to translate them into operating processes. This requires capital; and true capital can only grow out of saving and productive investment.

The cruciality of a high rate of saving to the growth process leads to an important but, apparently, little understood principle of economics. From the standpoint of an individual, every act of saving means that much less consumption. The more he consumes, the less he saves; the more he saves, the less he consumes. Consequently, if we insist on a dramatic and unprecedented rate of economic growth in the future, we must frankly admit to ourselves that this requires a higher rate of saving at the present time.

This principle has important implications today. There appear to be some observers who believe that, on top of providing adequately for national defense and devoting a considerably larger volume of current output to public projects, we can achieve a dramatic rate of growth in the private sector. Perhaps we can; but it seems clear to me that this can occur only if we are willing to increase our saving.

How Are Resources Used?

A third important requisite for a high and sustained rate of growth is efficient and continuous use of our economic resources. Inefficiencies in use of resources can carry a heavy toll in terms of lost output. Moreover, idle manpower and equipment — a characteristic of the adjustment periods that result from efforts to grow too fast—represent production that is irretrievably lost. Recession is the number one enemy of sustained growth.

To sum up, economic growth in a free choice, competitive economy tends to vary directly with the pace of technological advance, the rate of saving and capital formation, and the efficient and continuous use of our economic resources. An effective government program to foster growth should operate largely through these basic determinants.

The moving forces which promote growth in a free economy are basically the same as those that account for economic progress on the part of the individual. The individual's desire for a higher and more secure standard of living for himself and for his family is the basic stimulus; this is the prime mover. To this end he studies, plans, works, saves and invests. He searches out new ways of doing things, developing new techniques and processes. Where such instincts as these are strong, the forces promoting growth in society as a whole are strong. Where they are weak, the impetus for growth is also weak.

Job of the Government

We are dedicated to the proposition that the desire of the individual to improve the standard of living for himself and for his family is strongest in an atmosphere of freedom. Consequently, the first task of government in fostering growth is to safeguard and strengthen freedom. The proper role of government is to provide an atmosphere conducive to growth, not to force unsound and unsustainable growth through direct intervention in markets or through an improvident enlargement of the public sector of the economy. Governmental efforts to promote growth that rely on, or subsequently lead to, excessive intervention in and direction of market forces can in the long run only impede the kind of growth that is desirable and sustainable.

Government can also promote rapid, healthy growth by fostering competition in the economy. Competition sharpens interest in reducing costs and in developing more efficient methods of production. It places a premium on skills in business management. It stimulates business investment in new plant and equipment, both as a means of economizing in the production process by use of more efficient machinery, and by enlarging capacity in order to capture a larger share of the market. Healthy, vigorous, and widespread competition, in short, is the primary stimulant to efficiency in use of our economic resources, both human and material, through technological advance and by

*An address by Mr. Anderson before the National Association of Life Underwriters, Philadelphia, Pa., Sept. 23, 1959.

stamping out waste and inefficiency.

There are other ways in which the government can promote healthy and sustainable economic growth. I am hopeful that a study of the tax system, recently undertaken by the House Ways and Means Committee and in which the Treasury is cooperating, will lead to significant and beneficial results. Moreover, the government can and should do much to eliminate waste, not only in its own operations, but in government supported or regulated activities.

All of these are important methods of aiding growth in a free choice economy. I am convinced, however, that one of the most significant governmental contributions to economic progress involves use of fiscal monetary, and debt management powers to promote stability in the value of the dollar and relatively complete and continuous use of our economic resources.

Dollar's Integrity Needed

Confidence in the integrity of the dollar is basic to a high rate of sustainable growth. As I noted earlier, a high rate of capital formation in turn depends upon saving. As the life insurance industry is well aware, incentives to save in traditional forms—in savings accounts, bonds, and through purchasing insurance—may have been somewhat impaired by a disturbing conviction on the part of some people that inflation is inevitable. This is a mistaken conviction. But if we should ever allow a lack of confidence to develop in the future value of the dollar, the desire to save in traditional forms will be weakened. Growth will be impeded.

Full confidence in the future value of the dollar can be maintained only if we remain constantly alert to all of the forces and practices that promote inflation. Some of these forces and practices may have grown out of changes in the economy in recent years; further study may be necessary before they can be identified and before appropriate policies to control them can be devised.

Mandatory Fiscal-Monetary Policies

But there can be no doubt as to the role of general budget, monetary, and debt management policies. Even though the steel strike has caused temporary cutbacks in parts of the economy, the fact remains that general business activity is strong, employment and incomes are at high levels, and consumer and business optimism is growing. These conditions call for self-discipline and restraint. This requires Federal income in excess of spending, to provide a surplus for debt retirement; monetary policies to prevent excessive credit expansion from generating inflationary pressures; and sound and flexible management of the public debt.

Some observers point to the high degree of price stability of the past year as proof that we are not now confronted with monetary inflation. This general price stability should be carefully evaluated. A rise in the cost of many goods and services has been offset by declining prices for farm products and food. This is, at best, a precarious balance. Moreover, the important point is that effective control of inflation requires actions to restrain inflationary pressures as they develop. To wait until the pressures have permeated the economy, and have finally emerged in the form of price increases, is "to close the barn door after the horse is already part way out."

Actions to limit inflationary pressures during this period of strong business activity will, in addition to protecting the purchasing power of the dollar, foster sustained growth in still another important way. Restraint and self-discipline today will help assure that the current healthy advance in business activity does not rise to an unsustainable rate and then fall back. This is the best possible assurance that our economic resources will remain in continuous and efficient use. The severity of a recession reflects primarily the build-up of unsustainable expansion in the preceding period of prosperity. By exercising restraint and moderation during periods of prosperous business, we can keep booms from getting out of hand. This will minimize the impact of later adjustments.

Wants Flexible Federal Reserve Policy

Our prospects today are bright. We have high hopes for a balanced budget in this fiscal year. A surplus for debt retirement would be preferable, but even a mere balance will be highly beneficial in promoting sustainable growth. Federal Reserve monetary policies, flexibly administered in keeping with the developing economic situation, will also be beneficial. Unfortunately, however, the Treasury does not today have sufficient authority to manage our $290 billion public debt in a manner that will be most conducive to sustainable economic growth. This is because the Treasury is locked out of the market for long-term money.

A law passed 41 years ago, in connection with a specific financing operation of World War I, establishes an interest rate ceiling of 4¼% on Treasury bonds running five years or more to maturity. When long-term yields are moving in a range above 4¼%, as they are now, the Treasury has no choice except to borrow on short-term securities. The result is that we must substantially bypass genuine savings—the only source of non-inflationary borrowing—in favor of short-term issues which are only a few steps away from being money.

Moreover, such securities bounce back and require refinancing at short intervals; this makes debt management even more difficult. More than $73 billion of marketable Treasury securities come due within the next 12 months; these must be refinanced. Such frequent Treasury trips to the money market, in relatively large amounts, also complicate the task of the Federal Reserve in administering a sound credit policy.

Despite the fact that President Eisenhower, in a special message to Congress, referred to our debt management proposals which were made in June as the most important issue to come before the Congress in the session just ended, no action was taken with respect to removing the outmoded 4¼% rate on new issues of marketable Treasury bonds. Shortly before adjournment, Congress did enact legislation which will permit us to raise the interest rate on Savings Bonds from 3¼% to 3¾% and to adjust upward the rate on outstanding E and H Bonds. This new rate will provide purchasers of Savings Bonds with a fair and equitable return on their investment.

Although clearly necessary, the action on Savings Bonds alone was inadequate. The inflationary debt management policies which we have no choice but to follow can undo much of the good that is being achieved through a balanced budget and sound monetary policies. It is to be hoped that the next session of Congress will place further action on our debt management proposals at the top of the list of vitally needed legislation.

Our nation today is confronted with a critical choice.

We can choose sound government financial policies that will foster growth — not of the temporary, unsustainable type, but long-lasting and rewarding.

Or we can choose the temporary expedient of excessive government spending and money creation during a period of strong business activity. Such practices can readily lead to inflation, which will ultimately dry up the flow of genuine savings and lead to recession — the number one enemy of growth. As has been proved in country after country, the road of currency depreciation leads inevitably to serious and long-lasting difficulties.

The choice before us is a momentous one. At stake for all of our people are the job opportunities, rising incomes, and the security of savings set aside for later years. At stake also is the safety of our country and of the free world, for in the last analysis this too depends upon the economic strength of America.

It is my abiding faith that the American people will make the right choice.

Vaughan Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

WILMINGTON, N. C.—George Gornto Jr. has been added to the staff of Vaughan and Company, 1 Post Office Avenue.

Horwich, Partner in Security Supervisors

CHICAGO, Ill. — Herbert F. Horwich has been admitted to partnership in Security Supervisors, 135 South La Salle Street, investment counsel organization which manages the investments of Selected American Shares and other institutional and individual accounts.

Herbert F. Horwich

Mr. Horwich joined the financial community nine years ago as a junior "back office" clerk. He soon began specializing in institutional investment research work and became associated with Security Supervisors in 1954. Elected Assistant Secretary of Selected American Shares this year, he also acts as Assistant to Edward P. Rubin, President of that mutual fund and a senior partner in Security Supervisors.

Rejoins Saunders, Stiver

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, OHIO — Guy R. McLaughlin has rejoined the staff of Saunders, Stiver & Co., Terminal Tower, member of the Midwest Stock Exchange. He was recently with H. L. Emerson & Co., Inc.

Valiant Is the Word for Chrysler

By DR. IRA U. COBLEIGH

Enterprise Economist

A forward look at the new Chrysler line for 1960 with special emphasis on the compact Valiant; and from a financial viewpoint, the indicated upsweep in corporate earning power at Chrysler.

Thirty-five years ago Chrysler Corporation made automotive history by introducing high compression engines and hydraulic brakes to the general motoring public. Later, in 1931, the first Plymouths, equipped with floating power were unveiled. So it has been — Chrysler Corporation, renowned through the years for advanced engineering in an industry that has ever placed a premium on engineering excellence. And now Chrysler crowns its years of research and development of small car components and designs, dating back to 1933, with its all-new Valiant for 1960.

Ira U. Cobleigh

What is this Valiant like? And how many, of the 1¼ million 1960 model compact cars, of American manufacture, scheduled to be built and sold, will be Valiants?

First about the Valiant itself. It was named in 1957, and is the creation of a special team of 200 diversely talented experts at Chrysler who worked, on lead time of less than 27 months, to design and build a uniquely modern compact car—not a modified copy of some foreign entry, nor an adaptation of other American economy cars. Valiant is a distinguished car, that you can distinguish from others. In design it has a long hood line and a relatively short rear deck. The lines, back-sloping from the windshield give one the impression of functional fluidity. The wheel base is 106.5 inches. The eager new 170 cubic inch six cylinder motor achieves new efficiency and fuel economy by a design that slants the engine 30 degrees to the right. The Valiant carries six ample persons in comfort and safety in a unitized body sturdy, rust-proofed, and soundproofed. Power and acceleration are exciting and the Valiant has delivered 30 MPG on ordinary gas in highway driving demonstrations.

This Valiant will make its official debut in late October. It will come in two series, with sedans and station wagons in each, and a choice of manual or automatic gear shifts. First volume production is at the Hamtramck plant (it began in September); and in January, Valiant production will go on stream at the St. Louis plant. Combined capacity will be at the rate of 300,000 units annually. Valiant is prepared to deliver a well built car affording significant savings in price and fuel economy. Volume sales of Valiant can make 1960 a big year for Chrysler.

The other new models in the Chrysler line, while less heralded are sleek, dynamic and elegant. There are Imperials, combining the elegance of executive suites and opera carriages; high-styled Chryslers, sport-styled De Sotos including the sparkling new De Soto Dart, and spacious Plymouths, the traditional backbone of Chrysler earning power. In other words Chrysler is all set for what many analysts believe may be a milestone motor sales year—possibly 7,000,000 units. Chrysler would be glad to settle for 20% of this market in 1960. Mr. C. E. Briggs, general manager of Chrysler and Imperial Division, believes that Valiant, and other American-made compact cars, will serve as a sales stimulant to medium- and high-priced cars — that they will enlarge rather than subdivide the total market.

After this rapid tribute to Chrysler's showroom offerings for 1960, it's time we turned, for the benefit of our investment-minded readers, to the financial prospects of this outstanding enterprise, Chrysler Corporation, our third largest producer of automotive equipment and sixth largest company, in terms of dollar volume, in all industry. Chrysler has been setting the stage for a substantial upsurge in earning power. In the past 5 years Chrysler has laid out over $1 billion in plant and tooling. This expenditure works out to over $100 a share on the common and has resulted in increased automation and decentralization of plants, a very considerable improvement in total efficiency, and higher profit margins.

While motor car earnings are of course the big thing at Chrysler there are other substantial lines—Mopar parts and accessories, Airtempt heating and air-conditioning equipment, marine and industrial engines, Cycleweld cements; and a 25% stock interest in Simca of France. There are subsidiaries in England, Canada, Belgium, Australia and Venezuela.

Since the end of World War II, Chrysler Corporation has been in a long term growth trend. 1954 and 1956 were so-so years and 1958 showed a loss; but these were the exceptions. 1959 is shaping up very favorably. For the first six months sales totalled $1,531 million, a rise of 42% over 1958 (same period). Even more dramatically, net profit for the six months ended 6/30/59 were $6.65 per share, against a loss of $2.89 a share for the first half of 1958. The last half of this year will be less impressive due to heavy expenses for plant rearrangement and start-up costs of the new model lines of cars and trucks. For the full year we would estimate per share net at $7.50 or above (depending on impact of steel strike). Earnings of this order should result in an improved cash dividend by Christmas. Dividends at Chrysler have been paid without interruption since 1926. Present indicated rate is $1 a share.

Capitalization of Chrysler is quite simple and substantially leveraged with 8,725,764 shares of common preceded by $250 million in long term debt (due 2054). Current financial position is excellent with $375 million of net current assets (as of 6/30/59).

We neglected earlier to note an important streamlining in the sales organization effected June 1, 1959. There are now three separate distribution groups: one for Plymouth, De Soto and Valiant; one for Dodge, Dodge Dart and Dodge trucks; and one for Chrysler and Imperial. As a result of this realignment, only 55% of the Company's dealers will be handling Plymouths (as against 85% a year ago).

By launching what President L. L. Colbert calls "the most sweeping new model program ever undertaken by any automobile company," Chrysler is making a powerful bid for an enlarged share of the motor car market and a higher level of corporate profitability. If this works out according to plan then investors might do well to examine, at this time, the values inherent in Chrysler common. The price range for the year has been between a low of 50⅝ and a high of 72⅝. Current quotation of 63½ is only 8½ times indicated 1959 earnings and Chrysler has not, up to now, enjoyed a market advance comparable with some of the other motor shares. If 1960 is going to be the big motor year everyone is talking about, then Chrysler should be in a splendid position to cash in. Its plant is in excellent shape, its models replete with space-age styling and engineering; and its capitalization so leveraged as swiftly to translate profit per car sold into net per share. If Chrysler earns $7.50 in 1959 it might show as much as $12 in 1960. This kind of rise in earning power is unlikely to be ignored by perceptive investors. Chrysler common today at 63½ has a forward look about it, and may turn out to be a Valiant market performer in the months that lie ahead.

Dr. Sumner H. Slichter, Leading Economist, Dies

An economist is not dead so long as his ideas breathe life. Though Dr. Sumner Huber Slichter, Lamont University Professor at Harvard University, died Sept. 28, his findings, interpretations and recommendations cannot be overlooked if the problems he dealt with remain or reappear.

Sumner H. Slichter

Recognized as one of America's leading economists in the field of labor economics and labor-management relations by economists and businessmen, Dr. Slichter established an equally impressive reputation with his analysis of the economic outlook and of this inflationary era. Widely known as a teacher, writer, speaker and consultant to government, his views were and are a rewarding experience whether provocatively stimulating, unorthodox, acceptable or unacceptable. That his writings generated a better understanding of our economy and the economic forces to be reckoned with can be attested to in no small way by this publication which chronicled some of his numerous and welcomed contributions.

A Presageful Answer to Critics

Two months before his untimely death, while ill of a kidney ailment and apparently stung by the charge that he desired or favored "creeping inflation," Dr. Slichter's last article in the *Chronicle* contained an "author's note" portending, perhaps, this may be his last opportunity to make clearer his position on the matter of inflation. For he wrote (July 23, 1959):

In the imperfect world in which we live, what one would like to see happen often is remote from what one would expect to happen. Nevertheless, uncritical readers insist on treating mere predictions as expressions of desire. To make plain that there is a difference between what I expect and what I desire, I have set forth my expectations and my desires separately. I am sorry to intrude with my desires, but the refusal of many readers to believe that one does not necessarily hope for what one predicts makes this crude step necessary. —*S. H. S.*

Dr. Slichter never thought it would be necessary to spell out, particularly for his colleagues, the difference between what he saw and what he desired.

Controversial Inflation Views

As to his controversial interpretation of "creeping inflation," Dr. Slichter's writings in the *Chronicle* stated that this phenomenon: Is part of the price we must pay to maximize growth and employment (March 6, 1958); encourages technological progress and investments (Nov. 20, 1958, March 26, 1959); has had other helpful consequences in our economy (April 23, 1959). Yet he prescribed policies and programs to halt inflation but doubted we would want to adopt any measures (April 23, 1959). In a popularly read observation, he found it paradoxical that almost nothing is done despite the almost universal opposition to it and that inflation attracts many more opponents who are beneficiaries than are sufferers (Nov. 20, 1958).

Never hesitant in singling out labor for its role in causing price inflation (March 26, 1958, July 23, 1959, etc.), Dr. Slichter credited its wage drive for stimulating the economy and helping to stabilize the business cycle by maintaining personal incomes during recessions (July 31, 1958, July 23, 1959). Nevertheless, he indicted labor as exploiters of capital, science and engineering (July 23, 1959) and submitted a program to thwart labor's inflationary demands (March 26, 1959).

During the last recession he favored tax cuts, easing of credit and a speed up in Government spending (May 1, 1958); and, ten months later, favored modest wage increases, further credit-ease and deficit financing to spur the economy's growth. Dr. Slichter doubted the past recession was due to overcapacity and demanded a study be made as to why there was a deficiency in demand and capital spending cutback (May 29, 1958).

Last spring, the well known professor observed that inflation is of diminishing importance and that we should no longer neglect the much more important problem of recapturing lost output and of forging ahead (April 23, 1959). Before the Federal Reserve announced its recent upward revision of the physical production index, the economist had predicted productivity in 1959 may exceed 5% (Feb. 19, 1959). One of his most important business cycle judgments, dealing with the greater stability of the economy's growth in the post W. W. II years, dealt with industry's refusal to turn off its capital spending plans during a business downturn. Also, its significantly increased willingness to not cut back research and development spending — in fact, continuous rises here were viewed as an important spur to growth and to moderating recessionary turns. It is believed, however, that Dr. Slichter was perturbed about the economy's future because of the fall-off in capital investments after 1957 and its subsequent slow pick up.

His passing does not mean the demise of his ideas so long as the problems and conditions he analyzed continue. Historians should find his penetratingly independent views a fruitful measure of these times. And economists have much to ponder; not whether Dr. Slichter personally favored "creeping inflation" or not, but whether his explanations of the causes and consequences were correct and could be useful in applied economics.—S. B.

Howard, Weil in New Quarters

NEW ORLEANS, La.—Howard, Weil, Labouisse, Friedrichs & Co., members of the New York Stock Exchange, and other national exchanges, announced the removal of its offices to new quarters at 211 Carondelet Street. Telephone remains the same, Tulane 2711.

The Prudent Banker Prefers In and Out-of-State Mortgages

By N. PRESTON BREED*

Vice-President, Second Bank-State Street Trust Company Boston, Mass.

Boston banker argues the prudency of disposing of and/or foregoing governments and corporates for mortgages. He avers mortgages are prudent bankers' best investment; claims the greatest advantage is their liquidity and that FHA-VA loans are like government bonds sold at varying discounts, possessing a good market with regularly quoted prices; states they offer the highest net risk-free yield; and shows that a diversified mortgage portfolio has 8-12-year turnover with 8-15% cash return of capital. Mr. Breed indicates his familiarity with the 130-year-old "Prudent Man" rule case of Harvard College vs. Amory, recalls the "bad choice" days of low yield on long terms and no yield on short terms which made bankers unwilling victims of political cheap money, and contrasts today's mortgages with those of the 1930s.

Back in the year 1829, two eminent gentlemen of Boston, Messrs. Jonathan and Francis Amory, were so unfortunate as to be embroiled in a dispute with two powerful and prominent charitable organizations, the Massachusetts General Hospital and the President and Fellows of Harvard College. As they were Trustees under the will of Merchant John McLean, the Messrs. Amory had chosen to establish a $50,000 trust for Widow Ann McLean with certain high yield textile and insurance stocks from the McLean portfolio, rather than with government bonds, bank stock, or other low yielding, but safe securities as caution might have led them to do.

N. Preston Breed

The charities protested this choice vigorously, in the manner of the day, from the very inception of the trust in 1824. Several offers were made by the charities to take over the trust and to pay the widow a reasonable annuity of 6% for life, but these offers were rejected and the widow continued to benefit by large dividends from the shares of Boston Manufacturing Co. and Merrimack Manufacturing Co. held in the Trust.

130-Year-Old Harvard College versus Amory Case

By 1828, some of the fears of the charities had been realized and the business recession had driven down the price of these shares so that the value of the $50,000 trust had declined by over $12,000 or 24%. The charities thereupon objected to the allowance of the Amory accounts, and in due course the litigation became the famous Massachusetts Supreme Judicial Court case, Harvard College vs. Amory, which established the so-called Massachusetts or "Prudent Man" rule by which are now governed various trustees in many states of the country, including Maine.

A review of the case confirms that much could be said in support of both contending parties. Amory naturally wished the Widow McLean to receive a substantial income. Harvard was concerned that the McLean Professorship of Ancient and Modern History could barely be supported by Harvard's full $25,000 share of the trust, so that a shrinkage in the fund might defeat the intention of the donor and deprive Harvard of a much needed endowed chair. The surviving trustee, Francis Amory, was obviously in an embarrassing position, facing the possibility of disallowance of his fees and perhaps even of surcharge.

In a decision of far-reaching significance, Justice Putnam ruled in favor of Trustee Amory. He dismissed the notion that certain investments were always safe and others always unsafe. He showed how losses might eventuate even in the most conservative ventures. He even shed doubt on government obligations with the rather acid comment, "There is one consideration much in favor of investing in . . . private corporations. The holder may pursue his legal remedy and compel them or their officers to do justice. But the government can only be supplicated." And also, "If the Public Funds are resorted to, what becomes of the capital when the credit of the government shall be so much impaired as it was at the close of the last war"? "Do what you will," he said, "the capital is at hazard." Some of our present day holders of depreciated government bonds may respectfully say "Amen"!

Continued Justice Putnam, "All that can be required of a trustee to invest is that he shall conduct himself faithfully and exercise a sound discretion. He is to observe how men of prudence, discretion, and intelligence manage their own affairs, not in regard to speculation, but in regard to the permanent disposition of their funds, considering the probable income, as well as the probable safety of the capital to be invested."

And finally, ". . . it is of great importance that (Trustees) should not be held to make good losses in the depreciation of stocks or the failure of the capital itself . . . provided they conduct themselves honestly, discreetly, and carefully, according to the existing circumstances, in the discharge of their trusts. If this were held otherwise, who would undertake such hazardous responsibility?"

So much for Harvard College vs. Amory and the rule of the prudent man, which has for 130 years guided the actions of our New England trustees, and continues to be our guide today.

Who now is the prudent man among our present day savings bankers? Where do we look for the wise counsels of men of discretion and intelligence in the management of their own affairs? I submit that our prudent man is our average fellow savings banker. Collectively, he is 519 groups of bank officers and trustees who have ". . . according to the existing circumstances . . . honestly, discreetly, and carefully . . ." invested the funds entrusted to them.

Portfolio Breakdown

Now, painting rapidly and with a very broad brush, let us see how the prudent men of our savings banks in the New England states, and in the whole country, have invested their funds. In the accompanying table we observe these principal categories of investment by percentage of assets.

Savings Bank Investments

	Maine Banks	Conn. Banks	Mass. Banks	N. H. Banks	New York Banks	Vt. Banks	All U.S.A. Banks
U. S. Bonds	28%	26%	29%	26%	16%	14%	19%
Other Investments*	29	20	16	19	17	16	19
Mortgages†	43	54	55	56	67	70	62

*Corporate Bonds, Stocks, etc. †FHA, VA and Conventional.

Now, averages are apt to be deceiving as you know. In the case of our mortgage percentages, the larger banks of the country are today heavily invested in mortgages, most approximating 70% of assets in mortgages, and these banks not only greatly lift the averages, but these averages in turn conceal the fact that even today many of our medium sized and smaller institutions have not built up their mortgage portfolios to be the major earning asset of their banks.

I will not dwell on the fact that such banks probably suffer from bond portfolios which have depreciated in market value. True and unfortunate as this condition of affairs may be, I do not feel that price depreciation as such has any great significance. The depreciated bonds will undoubtedly pay full face value at maturity and it is quite unlikely that any bank will be under the absolute necessity of liquidating any of these bonds below par. Any informed person would know that in a period of rising interest rates, the prices of all fixed income investments go down. The mortgage minded banks have many of the old 4% G.I. loans, which would hardly be worth 90 today, and I know of several Boston banks that wrote and still have a number of 3¼% and 3½% loans that could be sold only at deep discount today. No, the trouble does not lie with the market price or the book value depreciation. The real trouble lies in the low income produced by such investments and the long maturities to which we committed our savers' funds at this low rate. I doubt very much if the average dollar stays in any of our savings institutions more than six to eight years, yet all of us put new dollars into government and other bonds with fixed maturities of 15 to 20 years and more. We all thought it was a good idea at the time!

Victims of Political Cheap Money

We know from hindsight that our government gave us a bad choice between low yield on long-term bonds and no yield at all on short maturities—so that we became the unwilling victims of political cheap money. But it is one thing to make a mistake and another to live with it. Our quality of fallibility is attested by the manufacturers who put an eraser on the top of every pencil they sell! Did we use the erasers and sell out our badly balanced low income bond portfolios as soon as better savings bank investments became available? Did we go back to buidling up our community homes, stores, and factories when restrictions were taken off and our veterans came home? Did we participate in the great trends to detached single family, owner-occupied housing — to suburban living—to decentralized cities? On the record, our prudent men did and are still doing so, some more aggressively than others, of course. Surely then, the investments of the prudent banker are those of the average of all banks, or better still, are ahead of the averages in the direction in which they are trending.

Above all, the prudent banker must avoid the vicious circle. If new dollars can be invested at higher return than old dollars, the prudent banker must strive mightily for growth so that high income new dollars will average up the low income old dollars. An institution that has succeeded in growing 10% a year is obviously in much better shape today than one which has grown 2%. Growth has meant higher average income, which has permitted higher dividends, which has encouraged more growth, which has meant higher average income . . . and so on like a record stuck in the groove. This must be the Golden Circle of prudent bankers.

The vicious circle starts with low government bond income and rumors of depreciation, which leads to low bank income, low dividend, low growth, continued low income, continued low dividend, continued low growth, and again around the record until it seems there is no escape.

Says Mortgages Are Prudent

But, is it prudent to dispose of government bonds and go into mortgages? We are all old enough to remember the 30s, and what happened to mortgages. Believe me, it is not prudent to take any other course of action. If we have not done so and are not doing so, we are being left behind by the prudent bankers, the men of discretion and intelligence, who according to the existing circumstances are acting discreetly and carefully in the discharge of their trusts. This is proven by the above figures recently put before you. I can promise that no man who follows these prudent men and thereafter is found to have erred will be subject to any legitimate criticism, for the prudent man rule is now well rooted in our trust structure. I sincerely fear, however, for posterity's judgment of the man or group of men who depart from the collective judgment of their fellow bankers. If they are right, they will have little company; if they are wrong, there will be no one to save them.

I said we were all old enough to remember mortgages in the 30's. Unfortunately, none of us is old enough to have known the mortgages of the 19th Century and the first 29 years of the 20th Century. Unfortunately too, the traumatic shock of the experience of the 30's has kept us from learning enough about the new mortgages of the 40's and 50's.

As to the former, it is a fact that mortgages have always been given higher investment regard and have yielded less accordingly than the bonds of railroads, public utilities, and other corporations. That is, until the Great Depression of the 30's scared us into forgetting any but recent history. For many, many years the prime going rate on Boston mortgages was 4% and even 3½% in periods when prime utility bonds brought 5% and 6%.

Furthermore, it is a fact that in no recorded panic or depression since State supervision of Massachusetts savings banks began just after the Civil War, have mortgages ever brought any significant loss to these banks. A conscientious search of the Commissioner's reports for every such panic year prior to 1929 has revealed only nominal mortgage losses in those years. Parenthetically, there were severe losses on collateral loans, bonds of defaulting corporations, and on securities sold to provide liquidity against withdrawals, but no word of doubt or criticism appears against mortgages in any of the official reports prior to the 1930's.

Possess Qualities of Government Bonds

It seems now to be generally agreed that much as we have conquered the former scourges of

Continued on page 50

*An address by Mr. Breed before the 66th Annual Convention of the Savings Association of Maine, Dixville Notch, N. H.

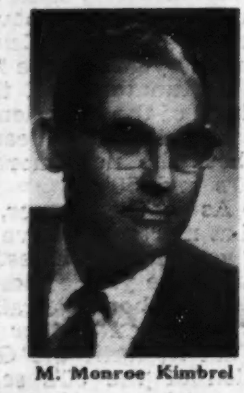
Bank Legislation and Congress

By M. MONROE KIMBREL*

Chairman, Federal Legislation Committee, American Bankers Association and Executive Vice-President, First National Bank, Thomson, Ga.

Georgian banker evaluates banking legislation accomplished by recently completed session of Congress. In summarizing the action taken, the ABA spokesman on Federal legislation hails the change in legal reserve requirements of member banks and the two laws modernizing the lending power of national banks. Mr. Kimbrel is optimistic about the eventual passage of the Mason Bill dealing with tax treatment of financial institutions as favored by commercial banks. He announces vigorous support will be given next year to pending bills giving final authority over bank mergers to the Federal bank supervising agencies.

Winston Churchill has defined a statesman as one who can predict what will happen and, afterwards, explain why it didn't happen.



M. Monroe Kimbrel

A good many "expert" observers of the Congressional scene are now busily qualifying as statesmen under that definition. When the First Session of the 86th Congress convened last January, there was general agreement as to the basic course it would follow.

One, it would expend the public funds liberally and bring on deficit financing.

Two, it would substantially expand Federal social welfare programs.

And three, it would disregard recommendations of the more conservative groups in the country, such as bankers.

To the credit of the Congress, it did none of these things. I believe that the record of the Session just completed will stand up as one of the most responsible and constructive in recent history.

It is evident now that the wrong guessers of last January underestimated the courage and judgment of the men and women who represent us in the Congress. They also underestimated the ability of an informed public to communicate its concerns and convictions to those who write our Federal laws.

Members of Congress respond to the people whom they represent. Perhaps the most significant fact about the past Session is that more people—and, certainly, more bankers—took the time and trouble to give Members of Congress their individual views on important issues. The theory of representative government rarely has been put to better use.

We of the Committee on Federal Legislation and the Washington staff have received fine cooperation this year from State Associations and individual members of banking's family. While that cooperation is encouraging to us, it is more important as a sign that bankers as a group are accepting their responsibility in the business of government. This is the foundation of an effective legislative program. It does not guarantee winning every battle but it does guarantee against losing by default.

The Congress in recent years had enacted relatively little banking legislation. Its attitude has ranged from indifference to antipathy. Last year, for example, the proposed Financial Institutions Act died in the House of Representatives chiefly as a result of vigorous opposition of a few Members. Inasmuch as that bill contained practically all of the major banking law revisions then pending, the sum of banking legislation in the 85th Congress was small.

Happier Results Than in Recent Years

I am pleased to report much happier results from the Session that adjourned this week.

The Association's legislative program this year encompassed many facets of banking legislation. Of these, four were of the broadest significance:

We advocated changes in the Federal income tax laws to bring about reasonably equal taxation of commercial and mutual financial institutions and to provide an adequate, industry-wide bad debt reserve formula for commercial banks.

We asked that the Federal Reserve Board's powers over member banks' legal reserve requirements be revised to permit the counting of vault cash as part of the required reserves.

We recommended substantial changes in laws governing national banks to bring the lending powers of national banks up to date.

And we supported legislation to vest final authority over bank mergers in the Federal supervisory agency having jurisdiction over the resulting bank.

Of these four major objectives, two were enacted into law, one is half-way through the Congress, and good initial progress has been made on the other.

The Reserve Requirements Reform Act won overwhelming approval in both the Senate and the House and become Public Law 86-114 when signed by the President on July 28. In addition to giving authority to the Board of Governors to permit member banks to count all or part of their vault cash, the new law fixes the range of reserve requirements for both central reserve city and reserve city banks at 10-to-22% and requires the elimination of the central reserve city classification no later than July 28, 1962. It also permits the Board to reclassify central reserve city and reserve city banks to a lower classification on the basis of the individual bank's business characteristics.

One important effect of the law is to give the Board greater flexibility in promoting sound economic growth. The vault cash provision is of great potential importance to smaller banks in particular; when invoked by the Board, it will place these institutions in a better position to meet the legitimate credit needs of their communities.

The Association vigorously supported this legislation in the Congress. As a matter of fact, enactment of the law represents a culmination of a five-year effort by the ABA in behalf of needed legal reserve reforms. In 1954 our Economic Policy Commission undertook a thorough study of the reserves problem and publication of the results of the study in 1957 served to focus public attention on the area and to encourage Federal Reserve authorities to recommended Congressional action.

It is obvious that patience and persistence play a big part in any successful approach to the Congress.

Modernized Lending Powers

Amendment of the national bank laws, like the reserves reform, has been a long-time Association goal. It was achieved by the enactment of two bills signed into law only last week. Most of their provisions were included in the Financial Institutions Bill which failed to pass the previous Congress.

One of the measures, Public Law 86-251, revises the lending powers of national banks in a number of respects, including authoriaztion for an increased dollar volume of construction loans and new authority for financing the construction of industrial or commercial buildings without being subject to the real estate loan limitation. It also provides for an increased borrowing authority, an increase in the limitation on certain loans secured by frozen foods and dairy cattle, and some modification of the limitation on certain types of consumer instalment loans. It also raises from 66⅔% to 75% the maximum loan-to-value ratio of 20-year amortized real estate loans.

Public Law 86-230 is primarily a technical measure. It eliminates obsolete provisions in older laws governing national banks and makes a number of other helpful changes.

Both of the original bills were introduced by Representative Paul Brown of Georgia, who is Chairman of a key House Banking and Currency Subcommittee. The Chairmen of the full Banking and Currency Committees, Representative Brent Spence of Kentucky in the House and Senator Willis Robertson of Virginia in the Senate, were among leading supporters of the bills.

The changes in these laws, as I was privileged to state in testifying before the Banking Committees, are consistent with sound, modern banking practices and will permit national banks to better serve their customers.

Bank Merger Bill

A bank merger bill which accords with the Association's views passed the Senate in May and probably will be taken up in the House next year. We shall recommend favorable House action.

Introduced by Senator Robertson, the Bill (S. 1062) would fill a void in present law by placing final authority in the Federal bank supervisory agencies under conditions that would have the effect of tightening the procedure to which merger requests are subjected. It provides that in acting on a merger request the Comptroller of the Currency or the Federal Reserve Board or the FDIC must take into account the competitive factors as well as the banking factors involved and also must request a report from the Justice Department as to the competitive factors. Each agency also would be required to consult with the others for the purpose of developing uniform standards.

This procedure, in our opinion, would insure responsible control of bank mergers. Certainly, it is superior to another proposal, turned down by the Senate, which would have subjected bank mergers to the Clayton Anti-Trust Act and to the administrative judgment of the Justice Department.

Tax Treatment Bill

With respect to legislation to provide for fair tax treatment of financial institutions, this year's developments support two definite observations. First, the Association by advocating a specific tax revision formula and securing its introduction in the Congress has taken a big first step toward the goal. Secondly, the achievement of that goal is going to require substantial time and effort and the concerted support of all those who believe in equitable taxation.

The Mason Bill which we favor—H. R. 7950—would provide a new base and method of taxing savings and loan associations and mutual savings banks so as to permit these institutions to bear a fair share of the tax burden. It would prevent the avoidance of taxation by mutual institutions through the device of paying out more of their pretax earnings to their account holders. We believe it would serve the purpose and the principles of a sound, competitive financial system.

The inequities that result from existing laws are obvious and acute. In 1958 commercial banks paid Federal income taxes amounting to approximately 41% of their net income, while savings and loan associations and mutual savings banks paid approximately 1% of net income. Neither the public interest nor the future soundness of financial institutions is advanced by so lopsided a division of tax obligations.

The Mason Bill is pending before the House Ways and Means Committee where all tax legislation starts. It is one of a great many pending tax bills which the Committee will endeavor to evaluate and process in the coming Session. As a preliminary to this step the Committee will hold hearings in November at which specialists in various phases of taxation will offer recommendations.

Expects Passage

The outlook for eventual action in this sector of the taxation field is favorable. How soon the action comes and what form it takes will depend upon a number of things, including the degree of public interest and support which is mustered in behalf of the Mason Bill in the months ahead. The fact that the ABA, the Independent Bankers Association, the Bankers Committee for Tax Equality, and the Roth Committee are jointly backing the Bill is all to the good. But decisive results will be achieved only if organizational efforts are strengthened and sustained by the efforts of individual members. Hard work and perseverance are very much in demand.

Time does not permit a complete listing of other Congressional developments of pertinence to banking. Among the more important items are the following:

Legislation providing for a simpler method of determining the base of the FDIC assessment was introduced in both houses last month. One effect of the bills would be to increase the assessment credit to insured banks from 60% to 66⅔%. We expect to support these measures when they are given active consideration next Session.

The third and final version of the omnibus housing bill as passed and sent to the President last week contains a number of provisions recommended by the Association, including one that would exempt FHA-insured loans from the aggregate real estate loan limit of national banks. The bill also omits several provisions which appeared in the earlier versions and to which we objected as being inflationary or inconsistent with the Federal Government's housing responsibilities.

Small Business Investment Act

The Congress also made moderate adjustments with respect to the Small Business Investment Act and the business lending program of the Small Business Administration. The changes conform generally to ABA views.

Legislation introduced early in the Session to revise the Federal Credit Union Act would have provided for extensive liberalization of the powers of Federal Credit Unions and for the establishment of central credit unions. As finally passed in a modified form and sent to the President, the measure increases the maximum authorized loan maturity limit from 3 to 5 years and raises the unsecured loan limit from $400 to $750. Instead of authorizing the formation of central credit unions—a proposal which we strongly opposed—it simply directs the Bureau of Federal Credit Unions to study the idea and report on it to the Congress.

Judged by any reasonable standard, this has been a good year for banking legislation. Banking's views have been accorded a fair hearing and constructive attention. We cannot fairly expect more.

A great deal of work remains to be done, particularly in the crucial field of taxation. For the initiative and education and persuasive powers that will be needed to advance this and other objectives in coming Sessions, we must look chiefly to our own ranks. The need, now and for the future, is for the personal interest and participation of every member of banking's family.

*An address by Mr. Kimbrel before the Bergen County Bankers Association, Rochelle Park, N. J., Sept. 17, 1959.

Hugh W. Long & Co. Names Officials

ELIZABETH, N. J.—The election of Thomas J. Herbert as President and director has been announced by Hugh W. Long and

Thomas J. Herbert

Robert H. Daniel

Company, Incorporated, Westminster at Parker. Mr. Herbert succeeds Hugh W. Long, who was named Chairman of the Board of Directors.

Robert H. Daniel has been elected Executive Vice-President of the Long company's wholly-owned subsidiary, Investors Management Company, Inc., to succeed Mr. Herbert. Mr. Daniel resigned as investment Vice-President of the First National Exchange Bank of Roanoke, Virginia to accept this position.

Both Mr. Herbert and Mr. Daniel are well known in banking circles. Mr. Herbert was associated with the First National City Trust Company of New York for 15 years and with the American National Bank and Trust Company of Chicago for seven years, resigning as Vice-President of that bank in 1951 to join the Long organization. He is the author of the American Institute of Banking textbook, "Investments," and since 1943 has been a member of the faculty of the Graduate School of Banking.

Mr. Daniel has also been associated with the Graduate School of Banking as a faculty member or Thesis Panel Examiner since 1949. He served as a member of the Board of Regents from 1955-1958. At various times he has been a member of the Trust Investment Committee and the Research Council of the American Bankers Association. He is Chairman of the Board of Trustees of the Virginia Bankers School. He has lectured before the Virginia and West Virginia Bankers Conferences, and has instructed in many classes of the American Institute of Banking.

Allen Tobey

Allen Tobey, senior partner in Tobey & Kirk, New York City, passed away Sept. 14 at the age of 69.

The Market...and You

BY WALLACE STREETE

The recovery in the stock market continued but the going was increasingly harder this week as traders took to the sidelines to get a better idea what would emerge from the labor and management conferences in the White House designed to get the steel strike ended.

* * *

Spreading layoffs as steel supplies dwindled increased the concern over the strike stalemate and weighed heavily on the stock market as the analysts tried to figure out how much the long impasse will pare from corporate profits in the remaining months of the year.

* * *

Projections were decidedly moderate for the third quarter once the strike was assured, since it normally is a slow period with vacations holding down production at best. But a rousing windup quarter and adequate supplies of steel had been counted on to boost the total profits for 1959 to record and near-record levels. These projections had a large part in justifying some of the price peaks posted during the early summer rally. Any serious downgrading of the favorable profit figures would hardly be encouraging.

The "Minor" Motor Issues Active

American Motors was inclined to falter after its recent good gains, but Studebaker issues continued to make the new highs lists when official estimates were that the company would turn up a profit of $20 million or better after five years of red-ink operations. The old Studebaker shares were also supported by the largest short interest around for any single issue.

* * *

The motor speculation over which the most debate raged was American Motors and its ability to stand off the compact car competition from the Big Three. Its brand new dividend rate offers around 4% plus stock paid this year and the company is sufficiently confident to be planning a boost of one-fifth in capacity. It is by no means sure, however, that the company can meet all the objectives in the face of the intense competition about to develop, and this is what keeps the argument lively.

* * *

Rails, which were the first to suffer from reduced business as the steel plants closed down, were helped by the moves to get the strike settled, although there was little recovery, as more carriers started to dip into deficit operations. Their moderate improvement failed to change the fact that this is the section where high yields prevail that even the high bond yields aren't in any position to challenge. Louisville & Nashville in the quality section, for instance, offers a return of better than 6%.

* * *

The ironic fact is that the bus lines and truckers, who have taken important business away from the rails, themselves aren't in much investment esteem and also can offer high yields. National City Lines in this group, primarily a bus operator but planning to take over United Motor Express in a million-dollar deal, has a yield approaching 7% despite the romance of its pending diversification.

Steels Steady

Steels have stood their ground well despite the record-breaking length of the strike. The assumption that filling the pipelines after the strike ends will give them boom times is encouraging holders to sit tight. There was some idle speculation as to which of the standard steels will be the best candidate for a rebound. And a good part of such conjecture settled on Bethlehem Steel which, with its shipyard operations, offers a bit more diversification than some of the others. It is also an issue that has a bit better yield in the 4% bracket than some of the others available.

* * *

Like the rails, the motors seem to benefit more from talk of an end to the strike than the companies directly concerned. General Motors was able to show good action even while announcing cutbacks in operations because of steel shortages. It is also an established dividend item with a yield a bit above average well toward the top of the 3% bracket.

Interest in the Stores Stocks

Another long-ignored group is the stores stocks where yields are well above average, running to nearly 6% in McCrory-McLellan Stores. Consumer spending has been running high but without attracting attention to the beneficiaries that lack any important connection with the more romantic subjects of the day, such as rocketry. McCrory ranks fifth in the variety chains, including important outlets in the rapidly growing areas of the south and southwest. The management is accelerating expansion and modernization while at the same time tightening up internally to increase efficiency and complete the absorption of the McLellan chain added early this year. The capitalization is small and the float even smaller since a block of 1,305,000 shares held by United Stores is nearly 40% of the total capitalization.

Electronics Newcomer

The newcomer to electronics after a rather long period as a one-product specialty firm is Basic Products, the former Froedtert Corp. In 1958 it branched out from the barley malt business in which it was one of the world leaders by acquiring Sola Electric and earlier this year added Hevi-Duty Electric. These acquisitions cut the malt sales to only around 50% of the total, with the rest coming from heavy duty apparatus for industry and large power distribution systems, plus a smattering of supplies for missile guidance systems and radar applications.

* * *

Unlike the rocket age items where low or no yields are the sign of "growth," Basic Products offers a return well above average, approaching 5% at recent prices. The issue has been decidedly pedestrian, holding in a range of around seven points all year, despite a pronounced upturn in earnings in the final quarter of its fiscal year that ended July 31.

Tobacco Queries

Despite a pronounced upturn in business for the first time in years, there is still plenty of skepticism over how much cancer scares will induce a switch to cigars, including the smaller versions. General Cigar which has shown the superior growth rate in the industry and had the lure of a stock split this year, still is available at 3% yield, although its earnings have been working higher and promise to continue since it owns a process for cutting cigar costs which is being licensed to more and more other cigar companies. Here is another case where the shares available publicly are restricted since Bush Terminal holds well over a third of the 1,418,000 shares outstanding.

* * *

Lorillard in the cigaret section of the tobacco industry has calmed down considerably after contributing much in the way of fireworks to stock market action last year. Much of this was based on its success with the Kent line. But the growth hasn't stopped and Lorillard currently is promoting its new entry, named Spring. With a yield of above 6% at recent levels, Lorillard is definitely indicated for income advocates and could be on the brink of a new growth phase now that it has had a rest after digesting the spectacular spurt in sales produced by Kent.

[The views expressed in this article do not necessarily at any time coincide with those of the "Chronicle." They are presented as those of the author only.]

News About Banks and Bankers

CONSOLIDATIONS
NEW BRANCHES
NEW OFFICERS, ETC.
REVISED CAPITALIZATIONS

Effective Nov. 1, the board of directors of **The First National City Bank of New York**, Sept. 29, appointed James S. Rockefeller


George S. Moore Richard S. Perkins


James S. Rockefeller Howard C. Sheperd

Chairman of the Board and Chief Executive Officer to succeed Howard C. Sheperd, who will retire on Nov. 1 at the age of 65 under the bank's retirement plan. Mr. Sheperd will also resign as of Nov. 1 as a director of the bank and of its trust affiliate, the **First National City Trust Company**. He has held the office of Chairman, and Mr. Rockefeller has been President, since Dec. 30, 1952.

Effective the same date, the board appointed Richard S. Perkins, Chairman of the Executive Committee and George S. Moore, President. Mr. Perkins has been Vice-Chairman since December 1953 and Chairman of the Board of the First National City Trust Company since 1957. He will continue in the latter office. Mr. Moore, Executive Vice-President since 1952, has been in charge of the overseas division since 1957. He headed the national division from 1952 to 1957. Mr. Moore was also appointed a director of the bank.

Also announced was the retirement on Oct. 1 of DeWitt A. Forward, Vice-Chairman and director. Mr. Forward has had general supervision of the bank's domestic and overseas loan portfolios and served as Chairman of the money committee.

Alan H. Temple, Vice-Chairman in charge of the economics and public relations departments, continues in that office.

Walter B. Wriston, Senior Vice-President in charge of European, African and Middle Eastern affairs for the bank, will assume general supervision of the overseas division.

With his retirement Mr. Sheperd completes over 43 years with First National City. He was appointed Vice-President in 1929, Senior Vice-President in 1940 and President and director in 1948. He also served as Chairman of the bank's trust affiliate, then **City Bank Farmers Trust Company**, from December 1952 to January 1957.

Mr. Forward joined the bank in 1916. He has served as Vice-President, Senior Vice-President, and has been Vice-Chairman since 1958.

Mr. Rockefeller joined National City in 1930. He was appointed an Assistant Cashier in 1931, Assistant Vice-President in 1933, Vice-President in 1940, Senior Vice-President in 1948 and Executive Vice-President in 1952.

Mr. Perkins is the son of the late James H. Perkins, Chairman of the Board of National City from 1933 until his death in 1940. Mr. Perkins joined the trust company as Executive Vice-President in March 1951, having been a director since 1948. He was appointed President of the trust company in December 1951 and Chairman in January 1957.

George S. Moore joined the Farmers Loan and Trust Company (now First National City Trust Company) in 1927. In 1931 he became assistant to the late James H. Perkins. He was appointed Assistant Vice-President in 1934 and Vice-President in 1939. On Dec. 30, 1952 he was appointed Executive Vice-President in charge of the bank's domestic division. In 1957 he assumed charge of the overseas division including supervision of the bank's network of 78 branches in 27 overseas countries.

Mr. Wriston joined the bank in 1946. He was appointed Assistant Cashier in 1950, Assistant Vice-President in 1952, Vice-President in 1954 and Senior Vice-President in 1958. He has served in the comptroller division and the national and overseas divisions.

* * *

The First National City Bank of New York will become the first American bank to provide banking facilities in Cape Town, South Africa, when its affiliate, **The First National City Bank of New York (South Africa, Ltd.)**, opens a branch there on Oct. 6.

This will bring to 79 the number of branches, offices and affiliates of the bank overseas.

* * *

The appointments of Alfred V. Feuerstein as Assistant Auditor and Melville N. Williams as Regional Auditor of **Manufacturers Trust Company, New York** is announced by Horace C. Flanigan, Chairman of the Board.

Mr. Feuerstein joined the bank in 1937 and was appointed Regional Auditor in 1955.

Mr. Williams joined the bank in 1937 and was appointed Senior Examiner in the auditing department.

* * *

The appointments of Thomas E. Quinn and Edward F. Eiwen as Assistant Secretaries was also announced by Mr. Flanigan.

Mr. Quinn joined the bank in 1927 and in 1957 was appointed Assistant Branch Manager. Mr. Eiwen joined the bank in 1930 and was appointed Assistant Branch Manager of the bank's Boynton Avenue Office.

* * *

Quintin U. Ford, formerly an Assistant Vice-President, has been named a Vice-President in **Bankers Trust Company's New York**, Personal Trust Division, it was announced Sept. 23 by William H. Moore, Chairman of the Board.

* * *

By the sale of new stock the **"County National Bank, Middletown," Middletown, N. Y.** increased its common capital stock from $1,130,000 to $1,500,000, effective Sept. 14. (Number of shares outstanding — 150,000 shares, par value $10).

* * *

First Trust Company of Albany, Albany, N. Y. was given approval by the New York State Banking Department to reduction of capital stock from $1,500,000, consisting of 10,000 shares of preferred stock "B" and 20,000 shares of common stock, both of the par value of $50 each, to $1,000,000 consisting of 20,000 shares of common stock of the par value of $50 each.

* * *

The Fall River National Bank, Fall River, Mass. increased its common capital stock from $400,000 to $600,000 by a stock dividend effective Sept. 18, (number of shares outstanding — 24,000 shares, par value $25).

* * *

William Mande was elected a Director of the **National Newark Essex Banking Co., Newark, New Jersey**

* * *

Peoples First National Bank & Trust Company, Pittsburgh, Pa., with common stock of $16,720,000; and the **Fidelity Trust Company, Pittsburgh, Pa.**, with common stock of $5,078,030 consolidated. Effective as of the close of business Sept. 11. The consolidation was effected under the charter of Peoples First National Bank & Trust Company and under the title **"Pittsburgh National Bank,"** with capital stock of $30,261,400 divided into 1,513,070 shares of common stock of the par value of $20 each.

* * *

Directors of **Western Pennsylvania National Bank, Pittsburgh, Pa.**, and directors of **Hill Top Bank, Pittsburgh, Pa.**, have voted in favor of consolidation, according to Ira G. Amsler, President of Hill Top, and M. A. Cancelliere, President of WPNB.

The joint plan of consolidation has received preliminary approval from the Comptroller of the Currency and the Pennsylvania Secretary of Banking. It will be presented to stockholders of each bank for approval at special meetings to be held soon.

Hill Top Bank was organized in 1900 as **Hill Top German Savings Bank**. It was reorganized as **Hill Top Savings and Trust Company** on Jan. 2, 1903.

* * *

The Peoples National Bank of Laurel, Laurel, Dela., with common stock of $100,000 was merged with and into **The President, Directors, and Company of the Farmers Bank of the State of Delaware, Dover, Dela.**, under the charter and title of "The President, Directors, and Company of the Farmers Bank of the State of Delaware," effective at the close of business Aug. 14.

* * *

Robert D. H. Harvey was elected Executive Vice-President, of the **Maryland Trust Co., Baltimore, Md.**

* * *

John P. Fishwick, has been elected a member of the General Board of Directors of **The Bank of Virginia, Richmond, Va.**, Herbert C. Moseley, bank President announced Sept. 24. The new Director also will serve on the bank's Roanoke Board.

* * *

The First National Bank and Trust Company in Steubenville, Steubenville, Ohio, with common stock of $1,375,000; and **The Brilliant Bank and Savings Company, Brilliant, Ohio**, with common stock of $50,000 consolidated, effective as of the close of business Sept. 12. The consolidation was effected under the charter and title of "The First National Bank and Trust Company in Steubenville," with capital stock of $1,475,000, divided into 147,500 shares of common stock of the par value of $10 each.

* * *

By a stock dividend **The Merchants National Bank of Terre Haute, Indiana**, increased its common capital stock from $500,000 to $750,000 effective Sept. 15. (Number of shares outstanding—30,000 shares, par value $25).

American National Bank and Trust Company of Chicago, Ill., increased its common capital stock from $6,000,000 to $7,500,000 by a stock dividend effective Sept. 16. (Number of shares outstanding — 75,000 shares, par value $100).

* * *

The common capital stock of **The First National Bank of Valdosta, Ga.**, was increased from $250,000 to $300,000 by a stock dividend and from $300,000 to $350,000 by the sale of new stock effective Sept. 14, 1959. (Number of shares outstanding — 35,000 shares, par value $10).

* * *

A charter was issued Sept. 11 by the Comptroller of the Currency to the **"Gateway National Bank of Beaumont," Beaumont, Jefferson County, Texas.** The President is O. E. Davis and the Cashier, Ed Watson; the bank has a capital of $250,000 and a surplus of $250,000.

* * *

By a stock dividend the common capital stock of **The First National Bank of Crockett, Tex.** was increased from $100,000 to $200,000, effective Sept. 10. (Number of shares outstanding—10,000 shares, par value $20.)

* * *

George F. Ernst has been elected a Vice-President of the **Bank of America, San Francisco, Calif.**

* * *

Merger of **The First National Bank of Monterey, Calif.**, **The Bank of Carmel, Carmel, Calif.** and **The First National Bank of Pacific Grove, Calif.** into **Crocker-Anglo National Bank** was approved by the respective shareholders of those institutions in separate special meetings held Sept. 22, it was announced jointly by Paul E. Hoover, President of Crocker-Anglo National Bank, and T. A. Work, Chairman of the Board of the three Monterey Peninsula banks.

The merger was effective at the close of business on Sept. 25, subject to the final approval of the Comptroller of the Currency and the California State Superintendent of Banks.

At the opening of business Monday morning, Sept. 28, The First National Bank of Monterey and its branch office at Seaside become, respectively, the Monterey and Seaside offices of Crocker-Anglo National Bank. The Bank of Carmel became the Carmel office and The First National Bank of Pacific Grove became Crocker-Anglo's Pacific Grove office.

The plans for the merger were given in the Aug. 20 issue of the "Chronicle," page 742.

* * *

Leon Bocqueraz, 87, a Director of the **Bank of America, San Francisco, Calif.**, died Sept. 21.

* * *

Paul Bienvenu, and D. Ross McMaster, Q. C., were elected to the Board of Directors of the Bank of Montreal, Montreal Canada on Sept. 22.

These appointments have been made following the resignation of Maj.-Gen. George P. Vanier, D.S.O., M.C., on his selection as Governor-General of Canada, and the death last month of Chilion G. Heward, Q.C., both of whom had served on the Bank's Board for a number of years.

Swesnik & Blum Secs.

WASHINGTON, D. C.—Swesnik & Blum Securities Corp. has been formed with offices at 1411 K St., N. W. to engage in a securities business. Officers are Richard H. Swesnik, President and Secretary, and Herbert Blum, Vice-President and Treasurer.

The Over-the-Counter Market: Biggest and Broadest—And Still Expanding

Continued from first page

today ranks as one of our fastest growing industries.

Another financial institution which has made great strides in recent years is the mutual fund. All buyers of mutual funds acquire their securities in an unlisted market; and the quotations of the redemption and offering prices of the leading funds are a regular feature of the Over-the-Counter Market section of many metropolitan dailies. Not only are the fund shares themselves dealt in this market exclusively, but also the shares of the companies that manage and sponsor mutual funds (unless closely held). Some of these "management" companies have grown rapidly, and their shares today sell at very high price/earnings ratios based no doubt, on the expectation that this exceptional rate of growth will continue.

Among major trust management shares, available only in the Over-the-Counter Market, are Investors Diversified Services Inc., Channing Corp., Townsend Corp. of America, Television Shares Management Corp., Hugh W. Long Co. and, recently offered, Waddell and Reed. If mutual funds expand as they have in the past war years, then some of these management shares may continue to prove exciting vehicles for capital gains.

Birthplace of the "Blue Chips"

The market sensations of the past 18 months have been the electronics and we've all been excited by the performance of such luminaries as Texas Instruments, Litton, Motorola, Hazeltine, General Transistor on the exchanges. All of these first traded on the Over-the-Counter Market; and dozens of other dynamic companies in this industry enjoy an eager and volatile market life over-the-counter.

Interesting issues to choose from include: Analogue Controls, Collins Radio, Ling Altec, Loral, Epsco, Inc., Electronic Associates, High Voltage Engineering, FXR Corp., Foxboro Corp., D. S. Kennedy, Laboratory for Electronics, Milgo and many others. Some of these shares have gained sensationally in the past three years; and merger possibilities keep quite a few of them in a high state of market animation. This is an industry where cash dividends are very low and price/earnings ratios very high.

The inland water transport doesn't get very much publicity on the financial pages but it finds important representation over-the-counter. There are Mississippi Shipping, Oglebay Norton Co., Kinsman Transit Co., Reiss Steamship Co., Nicholson Transit, Mississippi Valley Barge, and, until quite recently, American Commercial Barge (listed in September 1959). All of these water borne corporate shares have traded for years in the Over-the-Counter Market.

Wealth of Diversification

For those who set considerable store on diversification, where can you match the counter market's entries? In bearings, there are Barden Corp., Miniature Precision Ball Bearings Co. and Fafnir Bearing Co. In steels there's a broad selection: Florida Steel, Jessup, Lone Star, McLouth, Standard Pressed Steel, Portsmouth, Kaiser and Latrobe. Among the finest diesel engines are those produced by Cummins; the best apple juice is made by Duffy-Mott; the arbiter of commercial credit is Dun & Bradstreet; one of the biggest land companies is Arvida; the biggest publisher is Macmillan Co.; the famous muffler specialist is Maremont Auto; the largest chemical miller is U. S. Chemical Milling Co.; the largest pre-fab house builder is National Homes; the biggest bank is Bank of America; the biggest motel chain is Holiday Inns; the outstanding specialist in ladies' stockings is Scott & Williams; the world's largest insurer of boilers is Hartford Steam Boiler Inspection. To become a shareholder in any of the foregoing distinguished enterprises there is only one place you can go—over-the-counter.

For dazzling market gains the counter market takes second place to none. Itek Corp. a wonder company in Boston has a common that moved from $2 to $345 a share (before split) within the past three years. Accoustica Associates was publicly offered at $1 in 1954 and has been trading above 30 this year. Melchior Engineering within the past year rose from 5 to above 60. And among new issues of 1959 perhaps the best opening performance was Loral which came out at $12 a share and zoomed to a high of 22½ on the offering day. Those who say the Over-the-Counter Market is inactive have never watched a trading desk on the morning a "hot" new issue hits "The Street!"

Enviable Record for Sustained Dividend Payments

Writing about the world's largest market is like writing about the ocean — you can never cover more than a small section of it. The Over-the-Counter Market is vast, panoramic and diverse; and no investor can possibly make the best use of his available capital without inspecting this market's interesting and often unheralded and underpriced securities. And if it's dividend income you seek you're urged to look over the following list of durable cash distributors. Some of the issues started paying dividends when

George Washington was President — and have never stopped!

Difference Between Listed and Over-the-Counter Trading

Following the tables appearing hereunder, we present a discourse on the difference between the listed and Over-the-Counter Market, for the benefit of those who are not conversant with how the Over-the-Counter Market functions.

TABLE I
OVER-THE-COUNTER
Consecutive Cash
DIVIDEND PAYERS
for
10 to 175 Years

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
Abbotts Dairies, Inc. Dairy products	32	†0.98	46	2.1
Abercrombie & Fitch Co. Retail sporting goods	22	2.00	34	5.9
Abrasive & Metal Products Abrasives	20	0.20	4⅝	4.3
Acme Electric Corp. Mfg. of Electronic & Electrical equipment and transformers for electronic and electrical industries	20	0.25	13¼	1.9
Acushnet Process Co. Molded rubber products and Golf balls	*22	1.00	25½	3.9
Aetna Casualty & Surety Co. (Hartford) Casualty, surety, fire and marine insurance	51	2.40	173	1.4

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
Aetna Insurance (Hartford) Fire, marine, casualty and surety business	87	2.60	63¼	3.8
Aetna Life Insurance Co. (Hartford) Life, group, accident, health	25	3.40	227	1.5
Agricultural Insurance Co. Diversified insurance	95	1.60	30	5.3
Akron, Canton & Youngstown Railroad Co. Ohio carrier	13	0.75	20	3.8
Alabama Dry Dock & Ship Building Co. Shipbuilding and repair	25	3.50	72	4.8
Alamo National Bank (San Antonio)	23	2.00	66	3.0
Alba Hosiery Mills, Inc. Silk and nylon hosiery	19	0.50	4½	11.1
Albany & Vermont RR. Co. Local carrier	32	2.25	48	4.7
Alexander Hamilton Institute Inc. Publishing executive training courses	13	1.00	13	7.6
Allentown Portland Cement Co., Class A Portland cement	13	1.35	27¾	4.9
Allied Finance Co. Installment financing	*17	1.00	39½	2.5
Allied Gas Co. Natural gas distributor	11	1.10	25½	4.3
Allis (Louis) Co. Generators and electric motors	*22	2.00	37½	5.3
Aloe (A. S.) Co. Medical supplies	24	†0.99	98	1.0
Alpha Beta Food Markets, Inc. California super markets	13	0.90	22¼	4.0
American Aggregates Corp. Gravel and sand	18	†0.98	31½	3.1
American Air Filter Co. Filters and miscellaneous heating and ventilating equipment	25	†1.05	36	2.9
American Box Board Co. See Packaging Corp. of America				
American Cement Corp. Manufactures cement and cement paint	*19	1.00	26	3.8
American Commercial Barge Line	a18	1.00	23⅝	4.2
American District Telegraph Co. Electric protection services.	56	2.05	95	2.2

* Details not complete as to possible longer record.
a Including predecessors.
† Adjusted for stock dividends, splits, etc.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
American Dredging Co. Dredging operations	77	4.50	92	4.9
American Druggists Insurance Co. (Cinc.) Writes Fire Insurance and extended coverage for druggists only	*34	3.00	72	4.2
Amer. Equitable Assurance Co. of New York Fire, marine, multiple peril insurance, and allied lines	25	1.90	38½	4.9
American Express Co. Money orders; travelers' cheques; foreign shipping; foreign remittances; credit cards	89	2.00	82	2.4
American Felt Co. Manufacturer of wool and synthetic fibre felts, fabricated felt parts, filters, acoustic wall covering materials, and decorative drapery fabrics	20	0.55	13	4.2
American Fletcher National Bank & Trust Co. (Indianapolis)	47	b1.60	50	3.2
American Forest Products Corp. Manufacturers and distributors of forest products and corrugated containers	32	†1.09	34¼	3.2
American Furniture Co., Inc. Large furniture manufacturer	19	0.20	3⅞	5.2
American Furniture Mart Corporation Chicago real estate	10	0.25	26¾	0.9
American General Insur. Co. Fire and casualty insurance	30	0.60	51	1.2
American Hair & Felt Miscellaneous hair & felt products	17	1.40	20½	6.8
American Hoist & Derrick Hoists, cranes, cargo equipment	19	1.20	21¼	5.6
American Hospital Supply Largest manufacturer and distributor of hospital supplies	12	†0.60	37¼	1.6
American Insulator Corp. Custom moulders of plastic materials	18	0.80	16	5.0
American Insur. (Newark) Diversified insurance	86	1.30	26¼	5.0
American Locker, Class B Maintains lockers in public terminals	16	0.30	3¾	8.0

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
b Stock is now on a $2.00 annual dividend basis.

Continued on page 22

The Over-the-Counter Market Biggest and Broadest – and Still Expanding

Continued from page 21

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
American Maize Products Manufactures various corn products	34	†1.95	83	2.3
American-Marietta Co. Paints, chemicals, resins, metal powders, household products, cement and building materials	19	1.00	44¾	2.2
American Motorists Insurance Company Diversified insurance	29	†0.23	19½	1.2
Amer. Natl. Bank & Trust Co. (Chattanooga)	42	†1.67	75	2.5
American National Bank and Trust Co. of Chicago	24	6.00	540	1.1
American Pipe & Construc'n Reinforced concrete pipe-protective coatings, plate steel fabrication, construction	22	1.35	43¾	3.0
American Re-Insurance Diversified insurance	37	†1.36	43	3.2
American Screw Co. Manufactuer of cold forged threaded fasteners	61	1.20	52½	2.3
American Spring of Holly, Inc. Springs and wire forms	19	0.30	5¾	5.2
American Stamping Co. Pressed steel parts and stamping	22	0.90	13½	6.7
American Steamship Co. Freighters on Great Lakes	28	15.00	420	3.6
American Surety Co. Insurance and suretyship	25	0.925	24¼	3.8
American Thermos Products Co. Vacuum ware manufacturer	25	1.60	29	5.5
American Trust Company (San Francisco)	23	1.60	64	2.5
American Vitrified Products Sewer pipe, bricks, tile	12	†1.18	33½	3.5
Amicable Life Insurance Co. Life insurance	23	1.50	57	2.6
Ampco Metal, Inc. Bronze alloys and products	23	0.45	7⅞	5.7
Anheuser Busch Inc. Beer and other products	26	1.20	23⅛	5.2
Animal Trap Co. of America Large variety of traps	22	0.80	11	7.3
Ansul Chemical Co. Chemical and mechanical mfg.	34	1.00	21	4.8
Apco Mossberg Co. Tools and wrenches	16	0.10	5¼	1.9
Apex Smelting Co. Aluminum smelting	27	2.00	37	5.4
Arden Farms Co. Dairy products, groceries, meats, etc.	15	1.00	19	5.2
Arizona Public Service Electric and gas utility	39	1.20	38	3.2

† Adjusted for stock dividends, splits, etc.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
Arkansas-Missouri Power Co. Electric and gas utility	*22	†0.95	22½	4.2
Arkansas Western Gas Co. Natural gas public utility, production and transmission	20	†0.89	24½	3.6
Arrow-Hart & Hegeman Electric Co. Electric wiring devices and controls	31	3.40	63½	5.4
Arrow Liqueurs Corp. Cordials and liqueurs	*14	0.35	16	2.2
Art Metal Construction Co. Office furniture	23	1.75	26½	6.6
Associated Spring Corp. Precision mechanical springs; spring steel	25	0.80	20¾	3.9
Atlanta Gas Light Operating public utility	*22	r1.65	38¼	4.3
Atlanta & West Point RR. Co. Georgia carrier	19	1.00	40	2.5
Atlantic City Sewerage Co. Sewerage service	36	1.00	18	5.6
Atlantic Company Ice, coal, cold storage and E-Z Curb Service Stores	14	0.65	15	4.3
Atlantic National Bank of Jacksonville	55	1.20	54	2.2
Auto Finance Co. Investments, automobile financing and insurance	22	1.20	26¼	4.6
Automobile Banking Corp. Auto financing & personal loans	38	0.70	10⅞	6.4
Avondale Mills Cotton fabrics and yarns	55	1.20	21½	5.6
Avon Products Cosmetics and toiletries	40	†1.52	128	1.2
Ayres (L. S.) & Co. Operates department stores in Indianapolis and Lafayette, Indiana, and Springfield, Illinois.	24	1.20	21⅝	5.5
B/G Foods, Inc. Restaurant chain	15	0.95	16¾	5.7
B. M. I. Corp. Detroit real estate	23	1.00	10½	9.5
Badger Paint & Hardware Stores, Inc. Manufacturer, wholesaler, retail of paints, etc.	29	2.50	43	5.8
Badger Paper Mills Sulphite pulp and paper	25	4.00	160	2.5
Bagley Building Corp. Detroit real estate	22	0.30	13	2.3
BancOhio Corp. Holding company—banks	29	†1.61	56½	2.8
Bangor Hydro-Electric Co. Operating public utility	35	1.925	39½	4.9
Bank of Amer. NT&SA Nation's largest bank	26	1.80	47½	3.8
Bank Building & Equipment Corp. of America Building design and construction	20	†1.19	27¼	4.4
Bank of California, N. A.	80	1.375	44	3.1
Bank of the Commonwealth (Detroit, Mich.)	22	†4.75	160	3.0
Bank of Delaware	163	†1.80	47	3.8
Bank (The) of New York	175	†9.84	269	3.7

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
r Quarterly dividend rate is now 45c or $1.80 annually.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
Bank of the Southwest National Association, Houston	51	xx1.80	54	3.3
Bank of Virginia (The)	35	1.00	25¼	4.0
Bankers Bond & Mortgage Guaranty Co. of America Mortgage financing	13	0.30	10½	2.9
Bankers Building Corp. Chicago office building	13	1.50	58	2.6
Bankers Commercial Corp. Automobile and industrial financing	21	2.50	30½	8.2
Bankers & Shippers Insur. Multiple line insurance	34	2.40	60	4.0
Bankers Trust Co., N. Y.	55	3.00	87½	3.4
Barnett National Bank of Jacksonville	61	†1.88	66½	2.8
Bassett Furniture Industries Inc. Complete line of domestic furniture	25	1.00	22¾	4.4
Bates Manufacturing Co. Cotton and rayon fabrics	13	0.60	10	6.0
Baush Machine Tool Co. Drills and boring mills	17	1.25	15	8.3
Baxter Laboratories, Inc. Manufacturers of pharmaceuticals	26	0.78	70	1.1
Baystate Corp. Bank holding corporation	32	1.15	28¼	4.1
Beauty Counselors, Inc. Wholesaler: Cosmetic and toilet preparations	25	†0.70	33½	2.1
Belknap Hardware & Mfg. Hardware & furniture wholesaler	31	0.85	14½	5.9
Bell & Gossett Co. Pumps, tanks and valves	12	†0.54	18	3.0
Belmont Iron Works Designer, fabricator and erector, structural steel	23	3.00	37½	8.0
Belt RR. & Stock Yards Co. Operates livestock terminal mkt.	69	2.00	30	6.7
Bemis Bro. Bag Co. Manufacturer of paper, textile and plastic bags	38	1.60	45¼	3.5
Beneficial Corp. Holding company affiliate of Beneficial Finance Company	31	c0.325	13⅜	2.4
Benjamin Franklin Hotel Co. Philadelphia hotel	12	6.00	174	3.4
Berks County Trust Co. (Reading, Pa.)	23	1.10	24½	4.5
Berkshire Gas Co. Operating gas public utility	37	1.00	21	4.8
Bessemer Limestone & Cement Co. "Portland" cement	17	2.70	71	3.8
Bibb Mfg. Co. Textile manufacturer Cotton goods; sheeting, etc.	72	2.00	41¼	4.8
Biddeford & Saco Water Co. Operating public utility	60	5.00	100	5.0
Bird Machine Co. Machinery for paper mills	23	1.25	22	5.7
Bird & Son Asphalt shingles, floor covering, and paper.	34	0.40	19⅞	2.0
Birmingham Trust National Bank (Birmingham, Ala.)	14	d0.80	48	1.3
Black-Clawson Company Makes paper and pulp mill equipment	27	1.00	21	4.8
Black Hills Power & Light Operating public utility	19	†1.42	31½	4.5
Black, Sivalls & Bryson Oil and gas equipment, steel products and control valves	a30	1.40	23½	6.0
Bloch Brothers Tobacco Co. "Mail Pouch" chewing tobacco	48	1.45	27	5.4
Blue Bell, Inc. Manufacturer of work and play clothes	35	0.80	23⅝	3.4
Boatmen's Natl. Bk. St. Louis	87	3.00	70	4.3
Bornot, Inc. Chain of dry cleaning Establishments	31	0.10	10½	1.0
Boston Insurance Co. Insurance other than life	86	1.80	33½	5.4
Bound Brook Water Co. Operating public utility	34	0.35	5½	6.4
Bourbon Stock Yards Co. Louisville stockyards	51	4.00	60	6.7
Boyertown Burial Casket Co. Miscellaneous funeral supplies	65	1.00	18¼	5.5
Branch Banking & Trust Co. (Wilson, N. C.)	59	1.00	40	2.5
Bridgeport Hydraulic Co. Supplies water to several Connecticut communities	68	1.80	34¼	4.7
Brinks, Incorporated Armored car service	67	1.35	38½	3.5
Bristol Brass Metal fabricator	27	0.60	13¼	4.5
British-America Assurance Company Insurance other than life	25	4.00	110	3.6
British Mortgage & Trust Co. (Ont.) Mortgage loans & trust business	81	11.00	250	4.4
Brockton Taunton Gas Co. Operating public utility	38	0.98	18¾	5.2
Brockway Glass Co. Inc. Glass containers	32	0.90	43	2.1
Brooklyn Garden Apartments, Inc. Own and operate two Brooklyn garden apartments	25	6.00	103	5.8

† Adjusted for stock dividends, splits, etc.
a Including predecessors.
c Plus 0.01 share of Florida Properties Inc. for each share held.
d Plus 33⅓% stock dividend paid on April 20, 1959. The quotation of $48 is on the new shares.
xx During Spring of 1959, Bank had a 15% stock dividend, plus 10% stock rights for each share held.

The Over-the-Counter Market Biggest and Broadest – and Still Expanding

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
Brown-Durrell Co. "Gordon" hosiery and underwear	17	0.20	5⅝	3.6
Brown & Sharpe Mfg. Machine tools	*23	1.20	32½	3.7
Brunswig Drug Co. Wholesale drugs	25	0.90	23½	3.8
Bryn Mawr Trust Co. (Pa.)	15	1.85	48½	3.8
Buchanan Steel Products Corp. Manufacturing steel forgings	12	0.20	5	4.0
Buck Creek Oil Co. Crude oil producer	18	0.11	1¾	6.3
Buck Hills Falls Co. Hotel in Poconos	52	0.60	18	3.3
Buckeye Steel Castings Co. Production of steel castings	22	1.50	29½	5.1
Bullock's Inc. Department and specialty stores	27	2.25	58¼	3.9
Burgermeister Brewing Corp. Brewing of beer	a19	1.10	16	6.9
Burgess-Manning Co. Industrial acoustics, radiant ceiling, recording and controlling instruments	15	1.50	48	3.1
Burnham Corp. Mfrs. boilers, radiators, greenhouses	12	1.25	30	4.2
Business Men's Assurance Co. of America Life, accident and health insurance	26	†0.27	40¼	0.7
Butler Manufacturing Co. Metal products	21	2.10	53	4.0
Butler's Shoe Corp. Formerly Butler's Inc. Name was changed in June, 1959. Southern shoe chain	20	†0.58	17½	3.3
Calaveras Land & Timber Corp. California timber lands	16	2.00	27½	7.3
California Bank (L. A.)	20	†1.81	50	3.6
California Oregon Power Operating public utility	17	1.60	35⅝	4.5
California-Pacific Utilities Operating public utility	16	1.60	36¼	4.4
California Portland Cement Cement and lime products	49	3.50	180	1.9
CALIFORNIA WATER SERVICE CO. Public utility-water • See Company's advertisement on page 42.	28	†1.16	24⅞	4.7
CALIFORNIA WATER & TELEPHONE CO. Operating public utility • See Company's advertisement on page 43.	23	1.20	24⅞	4.8
California-Western States Life Insurance Co. Life, accident & health insurance	21	†1.36	106	1.3
Camden Refrigerating & Terminals Co. Cold storage, warehouse business	13	0.50	40	1.3
Campbell Taggart Associated Bakeries, Inc. Bakery chain	*13	1.45	35	4.1
Cannon Shoe Co. Operation retail shoe stores and manufacturing of shoes	26	0.45	7	6.4
Carolina Telephone and Telegraph Company Operates telephone exchanges	59	8.00	162	4.9
Carpenter Paper Co. Distributor of paper and paper products	63	1.80	45½	4.0
Carter (William) Co. Underwear	45	9.00	315	2.9
Carthage Mills, Inc. Felt base floor coverings	19	2.00	40	5.0
Cascades Plywood Corp. Plywood	12	1.75	34¾	5.0
Cavalier Apartments Corp. Owning and operating apartment house (Washington, D. C.)	17	3.00	38½	7.8
Central Bank & Trust Co. (Denver)	*13	0.80	20¼	4.0
Central Coal & Coke Corp. Leases mines on royalty basis	12	1.00	31½	3.2
Central Cold Storage Co. Refrigeration	25	0.50	21½	4.3
Central Electric & Gas Co. Electric & gas utility and through subsidiaries telephone service in several states	17	1.00	21	4.8
Central Fibre Products Co. See Packaging Corp. of America				
Central Illinois Electric & Gas Co. Operating public utility	27	†1.36	31⅞	4.3
Central Indiana Gas Co. Natural gas public utility	19	0.80	15⅝	5.1
Central Louisiana Elec. Co. Electric, gas and water utility	24	1.75	48½	3.6
Central Maine Power Co. Public electric utility	17	1.40	25⅜	5.5
Central National Bank of Cleveland	18	1.80	42¾	4.2
Central National Bank & Trust Co. (Des Moines)	22	8.00	225	3.6
Central-Penn National Bank (Philadelphia)	131	2.20	44½	4.9
Central Soya Co. Soybean processing and mixing of livestock feed	18	†1.99	62½	3.2

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
Central Steel & Wire Co. Metal processing and distribution	17	3.00	62	4.8
Central Telephone Co. Telephone service	14	1.00	23⅝	4.2
Central Trust Co. (Cinn.)	22	†2.75	81½	3.4
Central Vermont Public Service Corp. Electric and gas utility	16	1.00	20⅝	4.8
Central Warehouse Corp., Class A and B Operates warehouse in Albany	21	0.40	7	5.7
Central West Co. Investment trust	24	0.30	5⅝	5.3
Chain Store Real Estate Trust Ownership and rental of improved real estate	22	5.50	75	7.3
Chambersburg Engineering Forging hammers, hydraulic presses	22	0.50	20½	2.4
Chance (A. B.) Co. Manufacturing products for Utility Line Construction & Maintenance	24	1.20	25	4.8
Chapman Valve Mfg. Co. Gate valves, fire hydrants	23	2.50	32¾	7.6
Charleston Natl. Bk. (W. Va.)	23	2.00	52	3.8
Charleston Transit Co. W. Va. bus operations	19	4.00	36¼	11.0
Chase Manhattan Bank	111	2.40	61⅞	3.9
Chatham Manufacturing Co., Class A Woolen blankets	12	0.16	3½	4.6
Chemical Bank New York Trust Co.	a110	2.375	61½	3.9
Chemical Corn Exchange Bank (N. Y.) Merged in Sept. 1959 with New York Trust Co. to form Chemical Bank New York Trust Co.; stock will be exchanged share for share.				
Chenango & Unadilla Telephone Corp. Operating telephone company	33	1.35	27	5.0
Chicago, Burlington & Quincy RR. Co. Midwest carrier	97	7.50	162	4.6
Chicago City Bk. & Trust Co.	24	3.00	180	1.7
Chicago Medical Arts Building Corp. Office building	13	2.50	59	4.2
Chicago Mill and Lumber Wood boxes	19	1.25	27¼	4.6
Chicago Molded Products Corp. Plastic molders	20	0.40	10	4.0
Chicago Title & Trust Co.	24	e5.00	100	5.0
Chilton Co. Publisher of business magazines	22	1.00	24¾	4.0
China Grove Cotton Mills Co. Combed yarn manufacturer	35	2.25	48	4.7
Christiana Secur. Co. Holding company	*33	450.00	16,600	2.7
Circle Theatre Co. Real estate holding company	23	0.50	32	1.6

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.
e Plus one share Chas. Pfizer & Co. Inc. for each share held.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
Citizens Commercial & Savings Bank (Flint, Mich.)	24	1.25	79	1.6
Citizens Fidelity Bank & Tr. (Louisville)	*40	1.60	47½	3.4
Citizens National Bank (Los Angeles) Formerly Citizens National Trust & Savings Bank; new name adopted in Feb. 1959.	65	†1.50	47½	3.2
Citizens & Southern National Bank (Savannah)	54	†1.46	43¾	3.3
Citizens & Southern National Bank of S. C. (Charleston)	31	†2.00	62½	3.2
Citizens Utilities Co., Cl. B Public utility	21	†0.51	13½	3.8
City National Bank & Tr. Co. of Chicago	18	†2.82	83	3.4
City Nat. Bank & Trust Co. (Columbus, Ohio)	24	1.00	29¾	3.4
City National Bank & Tr. Co. (Kansas City)	*31	f0.80	62	1.2

Over-The-Counter Consecutive Cash Dividend Payers From 5 to 10 Years Appear in the Second Table Starting on Page 42.

City Title Insurance Co. Title insurance	21	0.40	9	4.4
City Trust Co. (Bridgeport, Conn.)	a105	1.50	34½	4.3
Cleveland Quarries Co. Building and refractory stone	19	0.30	13	2.3
Cleveland Trencher Co. Manufacturer of mechanical trench excavators	11	0.40	12½	3.2
Cleveland Trust Co.	23	†5.67	320	1.8
Cleveland Union Stock Yards Company Operates livestock yards	53	0.625	10	6.3
Coca-Cola Bottling Co. of Los Angeles	35	1.60	40½	4.0
Coca-Cola Bottling Co. of New York	20	1.00	32	3.1
Coca-Cola Bottling Co. of St. Louis	31	0.60	11½	5.2
Collins Co. Farm and cutting implements	*44	4.00	76	5.3
Collyer Insulated Wire Manufacturer of insulated wire and cable	41	1.75	30	5.8
Colonial Stores Retail food stores in Southeast and Midwest	18	†1.09	24	4.5
Color-Craft Products, Inc. Wall coverings	11	0.30	3½	8.6

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.
f A 100% stock dividend was paid on Feb. 6, 1959. Dividend payment after split was 40c semi-annually.

Continued on page 24

Our Reporter on Governments

BY JOHN T. CHIPPENDALE, JR.

The market action of Government obligations indicates that there is considerable uncertainty yet to be contended with, the result being that the principal center of attraction in these securities continues in the near-term sector. In addition, the income available in short-term Treasury issues is so attractive that it is taking money away from the long-term Government bonds. Also, one of the ways in which one hedges against tight to tighter money conditions is by the purchase of near-term liquid securities.

A better tone may be noted from time to time in the more distant maturities of the Governments but this can be attributed largely to professional operations, since significant investor interest in these securities has not yet developed. And, it is not likely to be forthcoming as long as more favorable returns are available in non-Federal bonds.

New Borrowing Terms Awaited

The Treasury is expected to announce either today (Oct. 1) or in the next few days the way in which it will raise the new money that will be needed to meet current expenditures. There is one thing for sure about the impending financing of the Government, namely that the securities which will be offered will not have a maturity of longer than five years. The 4¼% rate, which is the top limit that the Treasury can put on a long-term Government bond (over 5 years in maturity) means that such an obligation could not be sold in the current capital market because competitive conditions would call for a considerably higher interest rate.

Accordingly, it is evident that the Treasury in its new money raising operation will have to obtain its funds entirely in the short-term or intermediate-term area of the money market.

Package Deal Expected

It is the opinion of practically all money market experts that there will be a package deal in the coming new money venture of the Treasury, with nearly complete agreement that a tax anticipation bill will be one of the obligations to be used. Most likely this will be a June 1960 maturity that may be applied against the payment of income taxes which come due on the 15th of that month.

Another issue which is being guessed at by not a few money market specialists as likely to be part of the forthcoming operation of the Treasury is a one-year obligation which would have an October 1960 maturity. The use of the long bill or the one-year Treasury bill would fit into the pattern which the Treasury has been developing, namely that of quarterly maturities, with January, April, July and October being the months, with each maturity amounting to some $2 billion. A tax anticipation bill and a one year Treasury bill would take care of the current new money needs of the Government which will probably be in the neighborhood of $4 billion, with additonal funds to be raised before the end of the year.

Over One-Year Issue Doubtful

Whether the Treasury will try to obtain some new money through the use of a note is open to considerable conjecture. It is evident that the Government would like to obtain at least a token amount of its funds through the sale of an obligation with a maturity of more than one year. There is no question but what an issue with a note maturity (five years or less) could be sold by the Treasury.

However, the concern about such an undertaking is the effect it would have on the money market as a whole. The rate would have to be high enough to attract buyers and, with money and credit as tight as they are now, there might be repercussions that would not be to the liking of the powers that be.

Accordingly, it seems to be the current thinking of most money market followers that the Treasury will obtain its needed new funds via the sale of near-term securities.

Liquidity and High Yield

The demand for short-term issues continues to be large and an increasing number of corporations are investing surplus funds in these obligations. It is well known that the tight money conditions are keeping the rates for these securities high and this is the main reason why corporate funds continue to flow into these issues. In addition, there is no risk involved in these commitments since they are protected by the shortness of the maturity. It is providing a bonanza to corporations for the use of liquid resources.

Jostens, Inc. Stock Offered to Investors

An underwriting group headed by A. G. Becker & Co., Inc., on Sept. 29 made a public offering of 290,035 class A common shares, $1 par value, of Jostens, Inc., Owatonna, Minn., at $17 a share. The offering represents a portion of the holdings of certain selling shareowners.

Jostens, Inc., is engaged primarily in serving the high school market with graduation specialty products, including class rings, graduation announcements and accessories, yearbooks, awards and diplomas. In the fiscal year ended June 30, 1959, the company distributed its major products through approximately 9,000 high schools in all 50 states of the United States.

Total sales for the fiscal year were $16,348,000, and net profits $1,101,000 equal to $1.29 per outstanding common share.

Capitalization of the company on Aug. 15, 1959, consisted of 519,858 shares of class A common stock, par value $1, and 346,573 shares of class B common stock, par value $1. The company has no long-term debt, but is a seasonal borrower from banks.

The Over-the-Counter Market Biggest and Broadest – and Still Expanding

Continued from page 23

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
COLORADO CENTRAL POWER CO. Operating electric public utility • See Company's advertisement on page 36.	25	1.42	47	3.0
Colorado Interstate Gas Co. Natural gas transmission	24	1.25	46½	2.7
Colorado Milling & Elevator Flour and prepared mixes for baking	14	1.40	26⅝	5.3
Commerce Trust Co. (Kansas City)	23	3.00	102½	2.9
Commerce Union Bank (Nashville)	43	†0.65	39	1.7
Commercial Banking Corp. Dealer financing	11	0.60	9¾	6.2
Commercial Discount Corp. Commercial financing	16	0.30	15	2.0
Commercial Shear. & Stamp. Pressed metal products, hydraulic oil equipment and forgings	24	1.00	20¼	4.9
Commercial Trust Co. of New Jersey (Jersey City)	54	3.75	102	3.7
Commonwealth Land Title Insurance Co. Title insurance	14	2.80	49	5.7
Commonwealth Life Insurance Co. (Ky.) Life Insurance (no accident & health)	18	0.20	24	0.8
Commonwealth Trust Co. of Pittsburgh	57	†0.90	40	2.3
Community Hotel Co. (Pa.) York Pa., hotel	12	5.50	93	5.9
Concord Elect. (New Eng.) Operating public utility	54	2.40	42½	5.6
Conn (G. C.), Ltd. Top manufacturer of band instruments	11	†0.58	20	2.9
Connecticut Bank & Tr. Co.	145	1.80	40½	4.4
Connecticut General Life Insurance Co. Life, accident and health insurance (group and individual)	81	2.10	332	0.6
Connecticut Light & Power Operating public utility	37	1.075	23½	4.6
CONNECTICUT NATIONAL BANK (BRIDGEPORT, CONN.) • See Bank's advertisement on page 44.	18	0.80	16¾	4.8
Connecticut Printers, Inc. Commercial printing	79	1.75	29	6.0
Connohio, Inc. Sale of ice & oil, & warehousing	13	0.20	2½	8.0
Consolidated Dearborn Owns office buildings in Chicago and Newark	13	1.40	25¾	5.4
Consolidated Dry Goods Co. Department store chain	17	3.00	60	5.0

† Adjusted for stock dividends, splits, etc.

The Over-the-Counter Market Biggest and Broadest – and Still Expanding

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
Consolidated Metal Products Corp. Owns railroad equipment patents	24	1.50	55	2.7
Consolidated Naval Stores Holding company, diverse interests	26	30.00	800	3.8
Consolidated Rendering Co. Tallow, grease, meat scrap, fertilizers, hides and skins	24	2.00	29¾	6.7
Consolidated Theatres, Ltd., Class B Canadian theatre chain	11	0.20	3⅛	6.4
Consol. Water Pwr. & Paper Manufactures paper and paper products	26	1.20	34½	3.5
Continental American Life Insurance Co. (Del.) Participating life	*34	1.60	94	1.7
Continental Assurance Co. Life, accident and health	46	†1.01	161	0.6
Continental Casualty Co. Diversified insurance	25	jj3.22	116½	2.8
Continental Illinois National Bank and Trust Co. of Chicago	24	4.00	125	3.2
Cook Electric Co. Wire communication equipment	12	†0.34	42¼	0.8
Copeland Refrigeration Corp. Refrigeration & air conditioning compresses Refrigerators and air conditioning	13	0.40	17¼	2.3
Corduroy Rubber Co. Tires and tubes and rubber parts	20	3.00	38½	7.8
Cornell Paperboard Products Wall & paperboard & containers	18	1.00	25	4.0
County Trust (White Plains)	*55	†0.48	35¾	1.3
Cowles Chemical Co. Mfg. industrial chemicals	20	0.60	14½	4.1
Craddock-Terry Shoe Corp. Shoe manufacturer	19	1.00	23	4.3
Creamery Package Mfg. Co. Food processing and refrigerating machines and farm coolers	72	1.60	34	4.7
Crompton & Knowles Corp. Looms, dyestuffs, packaging equipment and reinforced plastics	27	1.25	20½	6.1
Crown Life Insurance Co. Life, accident and sickness; also annuities	36	2.50	181	1.4
Cumberland Gas Corp. Operating public utility	12	0.60	9⅛	6.6
Cummins Engine Co. Diesel and gas engines	11	†0.98	80	1.2
Curlee Clothing Co. Men's suits and overcoats	20	0.60	12	5.0
Dahlstrom Metallic Door Co. Doors, mouldings, cabinets	17	0.80	14	5.7
Dallas Transit Co. Local transit facilities	17	0.35	8¼	4.2
Darling (L. A.) Co. Manufacturing display equipment	12	0.50	14	3.6
DAYTON MALLEABLE IRON CO. Iron, steel & aluminum castings ● See Company's advertisement on page 41.	24	0.25	18¾	1.3
De Bardelebon Coal Corp. Bituminous coal	11	10.00	130	7.7
Dean & Co. (San Ant.) Auto financing	22	0.60	13	4.6
Decker Nut Manufacturing Corp. Manufacturer of cold headed industrial fasteners	13	0.15	3¼	4.6
Del Monte Properties Co. Real estate	14	1.75	63	2.8
Delaware Railroad Co. Leased and operated by P.R.R.	62	2.00	37	5.4
Delta Electric Co. Hand lanterns and auto type switches, bicycle lamps and horns	23	0.85	15	5.7
Dempster Mill Manufacturing Farm equipment	23	0.90	22	4.1
Dentist's Supply (N. Y.) Artificial teeth and other dental supplies	60	†1.24	25	5.0
Denver Union Stock Yard Co. Operating stockyards	41	4.00	70	9.7
Denver United States National Bank	72	1.20	30	4.0
DETREX CHEMICAL INDUSTRIES, INC. Chemicals, equipment and ultrasonics ● See Company's advertisement on page 34.	*12	†0.525	24⅞	2.1
Detroit Aluminum & Brass Bearings and bushings	*13	0.55	11¼	4.9
Detroit Bank & Trust Co.	24	1.95	48¼	4.0
Detroit & Canada Tunnel Owns and operates international tunnel	18	1.00	14⅝	6.8
Detroit Harvester Co. Mfr. auto parts, farm equipment and power lawn mowers	23	0.40	25¼	1.6
Detroit International Bridge Operates bridge to Windsor	15	1.15	20¾	5.5
Detroit Mortgage & Realty Co. Real estate financing	20	0.095	2	4.8
Detroit Stamping Co. Pressed metal parts & specialties	26	0.65	13¼	4.9

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
jj Includes $1.82 extra in share of the United States Life Insurance Company in the City of New York at its fair market value.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
Dewey Portland Cement Co. Cl. B Portland cement	*10	0.80	21	3.8
Diamond Portland Cement Manufacturer of Portland Cement	38	1.00	27½	3.6
Dickey (W. S.) Clay Mfg. Co. Sewer and culvert pipes, tiles	23	1.40	34¾	4.0
Dictaphone Corp. Manufacture and sale of Dictaphone, dictating, recording and transcribing machines	33	†1.19	45¼	2.6
Dictograph Products Co. Inc. Manufacture and sale of Dictograph communications systems, home fire alarm systems, Acousticon and Monarch hearing aids	13	0.05	4¾	1.1
Discount Corp. of New York Dealers in U. S. Treasury securities and bankers acceptances	40	32.00	240	13.3
Dixon (Joseph) Crucible Co. Lead pencils and all graphite products	22	1.20	22½	5.3
Dobbs Houses, Inc. Restaurant and airline catering	13	ii1.00	41¼	2.3
Dollar Savings & Trust Co. (Youngstown)	19	3.40	110	3.1
Donnelley (R. R.) & Sons Co. Largest commercial printer in United States	48	†0.78	37½	2.1
Drackett Co. Household specialty chemicals	*26	1.00	29¾	3.4
Dravo Corp. Heavy engineering projects, marine equipment	20	2.00	58½	3.4
Drexel Furniture Co. Furniture manufacturer	*23	1.40	29¾	4.7
Drovers Natl. Bk. (Chicago)	76	1.00	27	3.7
Ducommun Metals & Supply Distributors of metals, tools and industrial supplies	24	†0.89	21¼	4.2
Duff-Norton Co. Industrial jacks and lifting equipment	69	1.80	38½	4.7
Dun & Bradstreet Inc. Credit and marketing reports and publications	26	1.90	47½	4.0

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
ii Plus 5% stock dividend paid on March 1, 1959.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
Duncan Electric Manufacturing Co., Class B	21	1.05	20¼	5.2
Duriron Co. Corrosion resistant equipment	24	1.00	21¾	4.6
Eason Oil Co. Oil and gas production	18	0.25	13½	1.9
Eastern Racing Assn. Suffolk Downs	18	0.30	5⅜	5.6
Eastern Utilities Associates Holding company, New England public utilities	31	2.20	41⅜	5.3
Economics Laboratory, Inc. Chemical compound manufacturers	23	†0.79	22¼	3.6
Ecuadorian Corp., Ltd. (Bahamas) Holding co.—brewing interests	21	1.00	13	7.7
Edgewater Steel Co. Circle E rolled steel railroad wheels and tires, steel rings and forgings	37	2.50	45¾	5.5
Edison Sault Electric Co. Electric utility	24	g0.80	19	4.2
El Paso Electric Co. Public utility	31	1.08	32¼	3.3
El Paso Natl. Bank (Texas)	34	2.40	59	4.0
Electric Hose & Rubber Co. Rubber hose	20	1.50	50	3.0
Electrical Products Consol. Electrical signs	24	1.90	39	4.9
Electro Refractories & Abrasives Corp. Manufacturer of crucibles, refractories and abrasive products	25	0.60	12½	4.8
Elizabethtown Consolidated Gas Co. Natural gas distributing utility	66	1.70	43½	3.9
Elizabethtown Water Co. (Consolidated) Operating public utility	36	2.00	51	3.9
Emhart Manufacturing Co. Glass industry machinery	13	1.60	45¾	3.5
Empire State Oil Oil production and refining	12	0.30	11⅝	2.6
Empire Trust Co. (N. Y.)	53	†2.91	233	1.2

† Adjusted for stock dividends, splits, etc.
g Quarterly dividend rate was increased from 20c to 22½c, indicating a $1.00 annual payment.

Continued on page 26

Securities Salesman's Corner

BY JOHN DUTTON

Ten "Telephone" Rights

Several years ago a friend of mine who conducts a small and very personal securities business in a neighborhood that is largely populated by retired people received a telephone call. It was from a man who had 10 "rights" sent to him from the American Telephone Co. He said he had no idea whether or not he should sell them, or exercise them, and with an apologetic tone stated that he didn't want to bother the broker with such a small matter but he would like some advice. Instead of trying to pass the matter off on the telephone, the invitation was given to call at the office and talk it over. The next day a nicely dressed man in his late sixties accompanied by his wife called at the office. After a pleasant visit of about 15 minutes duration the broker sold the rights, making no charge for his services.

Several times during the year the broker would receive a call from this man and he would visit for a while and wait for his wife, who would be doing some shopping. By this time my friend had sold him a few small lots of stock, and a small investment in some mutual fund shares. A congenial friendship was developing and this man and his wife began to take seriously some of the intelligent and conservative suggestions that this broker offered.

Several weeks ago both Darby and Joan showd up again. After they were ushered into this broker's private office the husband said, "We have a problem and we have been thinking it over. You have been so kind to us, and your advice has been so sound and sincere, possibly you can help us. We just don't seem to have the amount of income that we believe we should have each month to live on." They were asked how much they would like to have and they said, "We now have about $3,600 a year from our principal investments in two conservative common stocks (which they named) but we actually need about $500.00 a month to live the way we should. We have a small pension and our social security, but an extra $100 a month would just make things work out fine."

This was the first time they had ever opened up with this broker and although he knew they owned the stocks they mentioned and a few shares of Telephone, they had never told him that they had nearly $96,000 invested in two common stocks at current market value. He next asked them their acquisition cost of the two stocks and quickly he figured their long-term capital gains tax which amounted to about $16,000.

Then he suggested a level payment withdrawal plan with two of the all common stock mutual funds at the rate of $400 a month. He showed these people now the income from dividends and capital gains would be automatically reinvested by the trustee of the funds, to be plowed back into more income producing shares as the leveled out monthly payments of $400 was being paid to them. Setting aside $16,000 in the savings bank for anticipated capital gains taxes to be paid next year, he reinvested the $80,000 at the rate of a 6% annual withdrawal figure per year, allowing the dividends and capital gains to reinvest. Such a plan, based upon historical past performance, gives every assurance of outlasting the lifetimes of both the husband and wife and very likely will leave a considerable sum for their heirs. Meanwhile the funds were placed in joint tenancy with right of survivorship and it was explained that in the event of a sudden need for a withdrawal of the principal this could be accomplished at any time.

The attractive features of such a joint withdrawal annuity based upon the level withdrawal plan offered by many mutual funds has much to recommend it over the fixed income straight joint annuity of conventional type. There is a hedge here against decreased purchasing power of the monthly check; the plan can be increased or decreased at will; principal can be withdrawn at any time; it can be stopped and started again at the behest of the investor. Also, a large portion of the principal will very likely be passed on to heirs, and possibly there will be an increase in the principal sum if the withdrawal plan is conservatively set up as was done in this case.

When his two friends left his office after delivering 2,100 shares of listed common stocks representing their major investment in securities which were sold and reinvested in this plan, the broker said, "From now on you won't have to watch the market, you have experienced professional experts doing it for you. When you look at the paper you can skip the financial page, read the funnies, the sports page, go shopping and take it easy. The mailman will bring your checks on the first of every month."

Add up the gross commissions on the sale of 2,100 shares of stock that were liquidated, plus the amount earned from the sale of $80,000 of mutual fund shares, and you have a pretty good sized profit which started out because this broker was not too busy to sell 10 Telephone "rights." And besides, these people go to church, are active in the community, and Darby and Joan have friends who might also wish to have more income every month, without worry and without watching the market.

With Robert Smith

(Special to THE FINANCIAL CHRONICLE)

ST. PAUL, Minn. — Philip J. Lemm has joined the staff of Robert L. Smith & Co., Pioneer Building.

Now With A. C. Allyn

(Special to THE FINANCIAL CHRONICLE)

KANSAS CITY, Mo. — George E. Strauss has become associated with A. C. Allyn & Co., Inc., 101 West 11th Street. He was formerly with Barret, Fitch, North & Co.

The Over-the-Counter Market Biggest and Broadest – and Still Expanding

Continued from page 25

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
Employers Casualty Co. Fire and Casualty Insurance	35	†1.00	34	2.9
Employers Reinsurance Corp. Multiple line reinsurance	45	1.55	53	2.9
Equitable Trust Co. (Balt.)	44	†0.96	73¼	1.3
Equity Oil Co. Crude oil production	11	0.40	28¼	1.4
Erie & Kalamazoo RR. Leased by New York Central	110	3.00	41	7.3
Erie Resistor Corp. Electronic products and molded plastics	20	†0.19	9½	2.0
Erlanger Mills Corp. Textile holding and operating co.	13	0.80	14	5.7
Erwin Mills, Inc. Textile mills	34	h0.60	12⅝	4.8
Essex Co. Water power to mills	48	2.00	55	3.6
Excelsior Life Insurance Co. (Toronto) Participating & non-participating	*31	1.60	159	1.0
Exeter & Hampton Electric Company Operating public utility	51	2.60	43	6.0
Exeter Manufacturing Co. Cotton and glass fabrics	18	1.00	40	2.5
Exolon Co. Manufacture artificial abrasives and magnetic separators	25	1.60	43¼	3.7
Faber Coe & Gregg, Inc. Tobacco wholesaler	25	4.00	55	7.3
Fafnir Bearing Co. Manufacturer of ball bearings	46	†1.52	51	3.0
Fall River Gas Co. Operating public utility	*50	1.60	29¼	5.4
Farmers & Merchants Bank of Long Beach (Calif.)	24	2.40	60	4.0
Farrel-Birmingham Co. Mfrs. of heavy machinery	24	2.00	44¾	4.5
Fate-Root-Heath Co. Manufactures diesel locomotives, ceramic machinery and lawn-mower and saw sharpeners	25	1.10	16½	6.7
Faultless Rubber Miscel. rubber goods, sponges	34	1.20	26	4.6
Federal Bake Shops, Inc. Chain of retail bake shops	23	0.45	7⅛	6.3
Federal Chemical Co. Fertilizers	15	6.00	75	8.0
Fed. Compress & Warehouse Cotton compress and warehousing	33	1.35	25¼	5.3
Federal Insurance Co. Multiple line insurance	57	0.95	60	1.6
Federal Screw Works Screws and machines	18	0.50	13⅝	3.7
Federal Sign & Signal Corp. Electric signs, sirens, lights, traffic and highway signs	11	†1.38	35	3.9
Federated Publications, Inc. Michigan newspapers	24	4.70	105	4.5
Federation Bank and Trust Co. (New York)	23	1.475	34	4.3
Fidelity-Baltimore Natl. Bk. (Baltimore)	54	†1.90	54½	3.7
Fidelity-Philadelphia Trust	94	4.25	99	4.3
Fidelity Trust Co. (Pgh.) Merged with Peoples First National Bank & Trust Co. of Pittsburgh to form Pittsburgh National Bank. Fidelity Trust stock was exchanged 1 1/3 new shares for each share held.				
Fidelity Union Tr. (Newark)	66	3.00	72½	4.1
Fifth Third Union Trust Co. (Cincinnati)	22	2.40	65½	3.7
Fifty Associates (Boston) Boston real estate	*13	50.00	1,310	3.8
Finance Co. of Pennsylvania Real estate and securities	30	2.40	57	4.2
Fireman's Fund Insur. Co. Multiple line insurance	51	1.80	58	3.1
First Amer. Nat. Bk. (Nashv.)	21	†1.20	28¾	4.2
First Bank Stock Corp. Bank holding company	30	1.80	45¾	3.9
First Bank & Trust Co. (South Bend)	20	1.20	33	3.6
First Boston Corp. Investment banking	20	5.50	80¼	6.9
First Camden National Bank & Trust Co. (N. J.)	14	†0.99	29	3.4
First City Natl. Bk. (Houston	26	2.00	75½	2.6
First Natl. Bank of Akron	20	†0.98	49½	2.0
First Natl. Bank of Atlanta	93	1.60	38½	4.2
First Natl. Bank (Baltimore)	a153	2.75	62¾	4.4
First Natl. Bank (Birming.)	16	†1.30	53	2.5
First Natl. Bank of Boston	175	3.30	89	3.7
First Natl. Bank (Chicago)	24	†7.60	321	2.4
First Natl. Bank of Cinn.	96	1.85	50½	3.7
First Natl. Bank in Dallas	84	1.45	37⅜	3.9
First Natl. Bank of Denver	*42	6.00	193	3.1
First National Bank of Fort Worth	26	1.00	25½	4.0
First Natl. Bank (Jersey City)	95	3.00	66	4.5
First Natl. Bank (K. C.)	69	2.00	101	1.9
First Natl. Bank of Memphis	64	vv1.40	36	3.9

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.
h Erwin Mills quarterly dividend rate has been increased from 15c to 20c, indicating an annual rate of 80c.
vv Plus an extra 25% stock dividend paid on Jan. 20, 1959.

The Over-the-Counter Market Biggest and Broadest – and Still Expanding

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
First Natl. Bank (Miami)	56	1.60	61	2.6
First Natl. Bank (Mobile)	*34	4.50	117½	3.8
First Natl. Bank (Omaha)	26	3.00	80	3.8
First Natl. Bank of Oregon	88	2.20	53½	4.1
First Natl. Bank (St. Louis)	41	3.00	71	4.2
First National Bank of Shreveport, La.	22	1.40	48	2.9
First Natl. Bank (Wichita)	39	10.00	350	2.8
First Natl. Bk. T. (Okla. City)	31	†0.93	34½	2.7
First Nat'l Bank of Passaic County (Paterson, N. J.) Formerly First National Bank & Trust Co. of Paterson, N. J. Name changed in March 1959.	94	3.00	69	4.3
First National Bank and Trust Co. (Tulsa)	21	†1.37	37	3.7
First National City Bank of New York	146	3.00	78	3.8
First National Exchange Bank of Roanoke	77	1.40	37¼	3.8
First National Trust & Savings Bank of San Diego	24	i 0.85	35	2.4
First New Haven National Bank (Conn.)	23	1.40	30¼	4.6
First Pennsylvania Banking & Trust Co. (Phila.)	131	2.20	47¼	4.7
First Security Corp. Bank holding company	24	1.70	57½	3.0
First Trenton National Bank	84	1.80	43	4.2
First Western Bank & Trust Co. (San Francisco)	91	1.60	46¼	3.5
Fitchburg Gas & Elec. Light Gas and electric company	100	3.00	57½	5.2
Florida National Bank (Jacksonville)	23	†0.98	81	1.2
Florida Public Utilities Co. Operating public utility	16	0.685	21½	3.2
Florida Telephone Corp. cl. A Telephone company	18	0.95	26½	3.6
Foote Bros. Gear & Mach. Precision and industrial gears, transmissions, etc.	19	†0.125	10⅞	1.1
Foote-Burt Co. Drilling, reaming, tapping machines	30	0.40	21	1.9
Forbes & Wallace, Inc., Cl. B Dept. store, Springfield, Mass.	23	1.75	21	8.3
Fort Pitt Bridge Works Structural steel fabrication	17	1.00	31	3.2
Fort Wayne National Bank (Indiana)	24	2.10	66	3.2
Ft. Worth National Bank	85	1.00	24¾	4.0
Fort Worth Transit Co. Fort Worth bus service	11	0.40	5¾	7.0
Fostoria Pressed Steel Corp. Industrial lighting units	21	1.00	24	4.2
Fourth Natl. Bank in Wichita	*34	†0.95	73	1.3
Fownes Brothers & Co. Gloves	12	†0.145	6⅛	2.4
Fram Corp. Manufacturer of oil, air, fuel and water filters	17	†0.95	30½	3.1
Franco Wyoming Oil Co. Oil production, exploration and development	23	1.10	30¼	3.6
Frank (Albert)-Guenther Law, Inc. Professional advertising agency	16	0.60	14½	4.1
FRANKLIN LIFE INSURANCE CO. Life insurance • See Company's advertisement on page 27	**18**	**†0.41**	**77¾**	**0.5**
FRICK CO. • See Company's advertisement on page 38. Refrigeration and air conditioning equipment	**57**	**1.75**	**33½**	**5.2**
Friedman (Louis) Realty Co. New York City real estate	12	0.40	10	4.0
Frontier Refining Co. Petroleum production, refining and marketing	13	†0.24	12¾	1.9
Fruit of the Loom, Inc. Textiles	14	1.50	23½	6.4
Fuller Brush Co., Class A Brushes	37	5.00	120	4.1
Fulton Market Cold Storage Refrigerated warehousing	29	1.00	10½	9.5
Fulton Natl. Bank (Atlanta)	46	1.25	37	3.4
Galveston-Houston Co. Holding company. Bus industry	20	0.875	7¼	12.1
Garlock Packing Co. Mechanical packings, gaskets, oil seals, mechanical seals and plastics	54	1.125	40½	2.8
Gary Natl. Bank (Indiana)	26	6.00	500	1.2
Gary Railways, Inc. Transportation holding company	16	0.20	3⅛	6.4
Gas Service Co. Natural gas distributor serving Missouri, Kansas, Oklahoma and Nebraska	15	1.52	31	4.9
General Crude Oil Co. Southern producer	21	1.00	30½	3.3
General Industries Co. Mfrs. of small motors for electric phonographs, automobile heaters and home recording assemblies. Custom-molded plastic parts	19	†0.19	29½	0.6

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
i Stock split two-for-one in April 1959. Quarterly dividend rate is now 21¼c.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
General Manifold & Ptg. Co. Commercial printing	14	0.625	7¾	8.1
General Metals Corp. Marine and other machinery	24	0.60	21	2.9
General Reinsurance Corp. All casualty, bonding, fire and allied lines	25	2.00	83½	2.4
Genuine Parts Co. Automotive parts	12	†0.85	49	1.7
Georgia Marble Co. Marble production	16	1.40	42	3.2
Germantown Fire Insurance Company Fire and allied lines insurance	11	2.75	140	2.0
Giddings & Lewis Mach. Tool Boring, milling and drilling machines	22	1.20	24¾	4.8
Gilbert & Bennett Manufacturing Co. Wire cloth	17	2.00	65	3.1
Girard Trust Corn Exchange Bank (Philadelphia)	122	2.40	52¾	4.5
Gisholt Machine Co. Turret lathes and tools	24	1.00	18¾	5.3
Glatfelter (P. H.) Co. Pulp and paper manufacture	14	hh1.00	37	2.7
Glen-Gery Shale Brick Corp. Brick manufacturing	13	0.40	8⅝	4.6
Glens Falls Insurance Co. Multiple line insurance underwriter	93	1.00	33¼	3.0
Globe & Republic Insurance Co. of America Fire, marine, multiple peril coverages and allied lines	23	1.00	19½	5.1
Goderich Elevator & Transit Co., Ltd. Grain elevator	55	1.50	24	6.3
Good Humor Corp. Well-known ice cream retailer	25	0.35	9¼	3.8
Goodall Rubber Co., Class A Hose, belting and packings	25	0.50	9½	5.3
Gould Pumps, Inc. Pumps and water systems	11	1.65	38	4.3
Govt. Employees Insurance Insurance—casualty and fire	12	†0.99	109	0.9

† Adjusted for stock dividends, splits, etc.
hh All figures adjusted for two-for-one split on May 19, 1959.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
Grace Natl. Bank of New York	12	6.00	375	1.7
Grand Trunk Warehouse & Cold Storage Co. Detroit ice manufacturer	16	2.00	50	4.0
Graniteville Co. Cotton fabrics	18	1.60	29½	5.4
Great Amer. Ins. Co. (N. Y.) Diversified insurance	86	1.50	38½	3.9
Great Lakes Engineering Works Shipbuilders and engineers	36	0.45	15	3.0
Great Southern Life Ins. Co. Life, accident and health	*34	1.60	86	1.9
Great West Life Assurance Co. (Winnipeg) Life, accident and health	59	4.40	340	1.3
Green (Daniel) Co. House slippers	*22	5.00	73	6.8
Green (A. P.) Fire Brick Co. Manufacturer of refractory products	33	1.00	26½	3.8
Green Giant Co., Class B Vegetable canning & distribution	*35	1.15	33	3.5
Gregory Industries, Inc. Stud welding equipment and welding studs	11	0.50	17½	2.9
Griess-Pfleger Tanning Co. Leather tanning	19	0.50	13¼	3.8
Grinnell Corp. Pipe fittings, sprinkler systems and piping systems	25	†3.90	195½	2.0
Guarantee Co. of North America (Montreal) Guarantee, fire, and casualty	86	18.00	340	5.3
Guaranty Trust Co. of N. Y. Merged in April 1959 with J. P. Morgan & Co., Inc. to form Morgan Guaranty Trust Co. Stock exchanged share for share.				
Gulf Insurance Co. (Dallas) Fire and casualty insurance	26	†1.78	80	2.2
Gulf Life Insurance Co. (Jacksonville, Fla.) Life and accident	27	0.50	22½	2.2

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

Continued on page 28

Swedish Lesson in Socialism

By ROGER W. BABSON

Now in Sweden, Mr. Babson advises government operated businesses there need private competition and he finds that the Swedish system definitely discourages management, mechanics and the artisans. Warning that we too have this problem because of our tax laws, the noted financial writer stresses incentives are needed here as well as there to attract good executives — even in small businesses.

I had been told by some of my Washington friends who have heard Premier Khrushchev that they forecast as follows: Russia will gradually become more conservative and the United States will gradually become more socialistic, "until they meet on a middle ground, like Sweden." With this in mind, I have looked forward with great interest to visiting Sweden, where I now am.

Roger W. Babson

Stockholm — the capital — is a beautiful city with wide streets and handsome buildings. It has large supermarkets with co-operative managements. Railroads, utilities, and telephones are mostly government owned. The people have old-age assistance, free medical care, and many other things which give them "security." They seem happy, contented, and not overworked. They have only one complaint, namely, that "taxes are very high."

Not only is real estate heavily taxed, but excise taxes exist on most products used by the people from the "cradle to the grave." There also is an expensive bureaucracy of government employees. Even though these are poorly paid, they have "security." Rather than compete in private work or business, people seek these government jobs. Until well after World War I the heavy taxes were cheerfully accepted, as Sweden was very prosperous from 1912 to 1927. But World War II was a different story. Sweden then got little trade, there was much unemployment, and the country went heavily into debt.

Cannot Balance the Budget

We all know what happened to Germany, Poland, and many other European countries during World War II. They completely defaulted on their national debt and the value of their "dollars" declined greatly. The Swedish "dollar"—called a *krona*—is now worth only about 19c.

Sweden has not balanced its budget since 1952. In fact, the budgetary deficit has been in a decided uptrend, and in the year 1958 the deficit had risen to 1.5 billion kronor, or to the equivalent of $290 million in American funds.

Sweden's Economic System Discouraging to Executives

All the above is disappointing to me, especially as the Swedes do not admit that they are operating under a Socialistic Government. They talk only of a co-operative government. It is true that the Swedish people buy almost everything from the great "Co-operatives" which operate most of the factories and many of the farms and other producers.

Then what is the trouble? I hear no complaint of dishonesty; the workers are faithful and there is less "leaning on shovels" than in the United States. The difference is that the able Swedish executives leave the country, going largely to the United States where they can earn much more. Because of Sweden's economic system the country cannot get efficient managers; and this applies to the banks and all offices which receive high salaries in our country. The lid on executives' salaries is the great handicap to the Swedish Co-operatives, railroads, steamships, and utilities.

Our Capitalistic System Needs More Competition

I am sorry to find this state of affairs in Sweden. Government-operated businesses need the competition of privately owned, fairly taxed competition. But our privately owned companies also need more competition as they become bigger. This is especially true of the "Dow-Jones Industrial" concerns, which have recourse to unlimited capital. We further can get the world's best managers, since we can pay very high salaries. This, however, is not healthy. Our nation needs "small businesses," just as a church needs a Sunday School. Yet our good executives are being forced into the professions and government jobs because of the very high taxes levied on "big business."

Not only does the Swedish system lack the income to attract good managers, but Sweden is losing its best mechanics and artisans. Khrushchev may see this danger ahead for Russia. It may be his reason for keeping his workers at home and not letting them see how much better they could live in the United States than in Russia. This may be one reason why the Communistic nations want to make the whole world communistic — namely, to prevent the moving of their best people to a so-called capitalistic country where business is privately owned.

"Investor's TV Letterbox" to Bow

The New York Stock Exchange firm of Sutro Bros. & Co. have inaugurated an Investors Television Question and Answer Forum. It will be included in their 10 to 11 hour of the David Susskind "Open End" program Sunday nights on Channel 13.

Decision to present this forum was predicated on the substantial increase in the number of investors. Sutro Bros. accordingly felt that a public discussion of investors problems would have broad interest. Accordingly, this Sunday night will see the advent of "Investor's TV Letterbox." It will be conducted by Sutro partner Stephen Floersheimer, who will personally answer questions sent in by investors seeking help with their financial problems.

Howells & Co. Formed In Oakland

(Special to The Financial Chronicle)

OAKLAND, Calif.—Howells & Company has been formed with offices at 1330 Broadway, to engage in a securities business. Partners are Merriam J. Howells and Arden M. Howells. Both were formerly with Wilson, Johnson & Higgins.

Form Investment Ideas

LOUISVILLE, Ky.—Investment Ideas Inc. has been formed with offices in the Francis Building to engage in a securities business. Officers are C. Webster Abbott, President; Rucker Todd, Secretary and C. C. Abbott, Treasurer.

L. G. Lewis Opens

FT. WORTH, Texas — Leon G. Lewis is conducting a securities business from offices at 4112 Curzon.

The Over-the-Counter Market Biggest and Broadest – and Still Expanding

Continued from page 27

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
Gustin-Bacon Mfg. Co. Glass fibre insulation products	21	0.50	35	1.4
Hagan Chemical and Controls, Inc. Water treatment chemicals	24	†0.63	31¾	2.0
Hajoca Corp. Plumbing, heating and air conditioning supplies	17	1.00	37	2.7
Halle Bros. Ohio merchandise distributors	44	†0.91	32	2.8
Haloid Xerox Inc. (N. Y.)	30	0.80	110	0.7
Hamilton Mfg. Home laundry appliances, and professional furniture	20	1.10	26¾	4.1
Hamilton National Bank (Chattanooga, Tenn.)	*54	j2.00	78	2.5
Hamilton National Bank of Knoxville, Tenn.	27	8.00	310	2.6
Hanna (M. A.), Class B Coal, iron, steel	25	3.00	129	2.3
Hanover Bank (The) (N. Y.)	106	2.00	54½	3.7
Hanover Insurance Co. Insurance	106	2.00	38	5.3
Harris Trust and Savings Bank (Chicago)	51	†1.97	101	2.0
Harrisburg Hotel Co. Penn-Harris Hotel	24	3.00	37	8.1
Hart-Carter Co. Grain handling equipment	19	1.20	19¼	6.2

Over-The-Counter Consecutive Cash Dividend Payers From 5 to 10 Years Appear in the Second Table Starting on Page 42.

Hartford Fire Insurance Diversified insurance	86	3.00	185	1.6
Hartford Gas Co.	109	2.00	46½	4.3
Hartford Natl. Bank & Trust	127	k1.50	36¾	4.1
Hartford Steam Boiler Insp and Insurance Company Boiler and machinery insurance	88	†2.00	95½	2.1
Harvard Trust (Cambridge)	55	2.15	51	4.2
Haverhill Gas Co. Gas service	41	1.38	28½	4.8
Haverty Furniture Co. Holding company	24	m1.20	20	6.0
Hershey Creamery Produces dairy products in Pennsylvania	27	2.50	39½	6.3
Hibernia Bank (San Fran.)	11	3.00	69	4.3
Hibernia National Bank (New Orleans)	24	2.00	83½	2.4
Higbee Co. Department store	15	1.20	29½	4.1
Hines (Edward) Lumber Co. Timber logging and processing	18	2.50	47	5.3
Holyoke Water Power Co. Electric and hydraulic power, industrial steam and real estate	89	1.20	41	2.9
Home Finance Group, Inc. Holding company—auto financing	11	0.40	12¾	3.1
Home Insurance Co (N. Y.) Fire, Casualty and Life	87	2.00	48½	4.1

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
j Plus a 8⅓% stock dividend paid on May 15, 1959.
k Quarterly dividend rate is now 40c, indicating an annual rate of $1.60.
m Plus a 1% stock dividend paid on Dec. 31, 1958.

The Over-the-Counter Market Biggest and Broadest – and Still Expanding

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
Home Telephone and Telegraph Company of Virginia Local and long distance phone service	38	0.37	7¾	4.8
Home Title Guaranty Co. (Brooklyn, N. Y.) Title insurance	18	1.00	17	5.9
Hooven & Allison Co. Ropes and twine	28	12.00	100	12.0
Hoover Co., class A Vacuum cleaners	16	1.05	29½	3.6
Hotel Barbizon, Inc. New York City	25	20.00	600	3.3
Hotel Gary Corp. Indiana hotel	23	2.00	57	3.5
Hotel Syracuse, Inc. 606 rooms	15	2.55	40	6.4
Housatonic Public Serv. Co. Connecticut public utility company, gas and electric	17	1.40	29	4.8
Houston Natural Gas Corp. Southern Texas utility	23	0.80	26⅛	3.1
Hubinger Co. Corn refining	10	1.20	31½	3.8
Huntington National Bank of Columbus (Ohio)	47	1.80	59	3.1
Huston (Tom) Peanut Co. Confection and food products	22	2.30	59½	3.9
Huyck (F. C.) & Sons Manufactures papermakers' felts, industrial fabrics, precision instruments and control devices	52	1.40	46	3.0
Idaho First Natl. Bk. (Boise)	26	mm1.00	37	2.7
Imperial Sugar Co. Sugar refining	21	2.00	45	4.4
Indiana Gas & Water Co., Inc. Natural gas and water utility	13	n1.00	25	4.0
Indiana National Bank of Indianapolis	94	2.70	72	3.8
Indianapolis Water Co. Operating water utility	47	1.00	24½	4.1
Industrial Bank of Commerce (New York)	24	2.00	40½	4.9
Industrial Mortgage & Trust Co. (Ontario) Savings, trust and mortgages	*32	5.00	83	6.0
Industrial Natl. Bank (Prov.)	a167	†1.74	45	3.9
Insley Manufacturing Corp. Manufacture and sale of construction cranes, shovels, etc.	13	0.10	13¼	0.8
Insurance Co. of the State of Pennsylvania Diversified insurance	39	1.40	40	3.5
INTER-COUNTY TITLE GUARANTY & MORTGAGE CO. Title insurance ● See Company's advertisement on page 32.	11	†0.50	16	3.1
Inter-Mountain Telephone Company Operating public utility	33	0.80	16½	4.8
Inter-Ocean Reinsurance Co. Reinsurance—multiple lines	36	1.50	37	4.1
Interstate Bakeries Corp. Wholesale bread and cake bakeries	12	1.45	33½	4.3
Interstate Co. Restaurant chain	14	0.40	19¼	2.1
Interstate Financial Corp. Small loans	18	0.80	11½	7.0
Interstate Motor Freight System Common motor carrier	10	†0.575	13⅝	4.2
Interstate Securities Co. Automobile financing and consumer loans	32	0.90	17¼	5.2

a Including predecessors.
* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
mm Plus 5% stock dividend paid in February 1959.
n Plus a 6½% stock dividend paid Dec. 19, 1958.

Continued on page 30

Comprehensive Industries' Statistics Published By Commerce Dept.

New edition carrying "Survey of Current Business" data back 30 years is published by the Department of Commerce.

The 1959 edition of "Business Statistics," a historical compendium and reference book containing monthly and annual data for over 2,600 statistical measures of the U. E. economy, is now available for distribution, the Office of Business Economics, U. S. Department of Commerce, announced today.

Twelfth in a biennial series of base books supplementing the Business Statistics section of the Department's monthly "Survey of Current Business," the new volume documents U. S. economic progress in the last 30 years. It not only carries forward the handy reference library of monthly data shown in the previous edition, but fully explains all changes and revisions in the figures that have occurred since publication of the 1957 volume. Detailed descriptions are furnished for all new series.

The businessman reader is thus enabled to trace the monthly beat of the nation's economic pulse for the past four years, and can readily compare performance in this period with that in earlier years, since annual averages of monthly statistics back to 1929 are presented.

Each new edition is a unique, one-volume source of materials needed for comprehensive economic research. All major business indicators are included, such as the national income and product accounts, new plant and equipment expenditures, business sales, inventories, and orders, industrial production, construction activity, farm income and marketings, and employment, hours, and earnings. Also covered are advertising, banking, consumer credit, insurance, domestic and foreign trade, securities and monetary statistics, and carrier operations. In addition, the supply and demand structure (production, consumption, stocks, prices) for major individual commodities is represented. Through all the 350-plus pages of the 1959 edition, the reader is guided to correlated subjects by means of an intensively cross-referenced index.

Use of "Business Statistics" is prerequisite to best application of the figures which appear regularly in the 40-page statistical section of each issue of the magazine "Survey of Current Business," since its explanatory notes supply essential information as to source, coverage, definitions, survey methods, and qualifications or limitations in those data.

"Business Statistics," 1959 edition, is available at $2.25 a copy from the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C., or it may be purchased at any of the Department of Commerce field offices located throughout the country.

L. C. Whitaker Opens

(Special to THE FINANCIAL CHRONICLE)

LOUISVILLE, Ky.—L. C. Whitaker Company has been formed with offices in the Kentucky Home Life Building to engage in a securities business. Officers are Lucian C. Whitaker II, President; Mrs. Elizabeth O. Whitaker, Secretary and Treasurer.

Form Wilson, Ehli

BILLINGS, Mont.—Wilson, Ehli, Demos, Bailey and Co. is engaging in a securities business from offices at 3203 Third Avenue, North. Officers are Pius Ehli, President; Tom Demos, Vice-President; Leon Bailey, Secretary; and James J. Wilson, Treasurer.

Butler, Herrick Office

McCORMICK, S. C.—Ralph M. Bewell is representing Butler, Herrick & Marshall. Mail address is Box 146 Augusta Street.

C. J. Stewart Pres. Of Manufacturers Trust

Charles J. Stewart has been elected President of Manufacturers Trust Company of New York,

Charles J. Stewart

effective Nov. 2, succeeding Eugene S. Hooper, who is retiring for reasons of health. Mr. Stewart is a partner in Lazard Freres & Co.; he formerly was President of the New York Trust Company.

Cleveland Analysts To Hear Executive

CLEVELAND, O.—J. W. Yarbo, Vice-President (financial) of Texas-Pacific Coal & Oil Co., will address a meeting of the Cleveland Society of Security Analysts to be held Oct. 7.

New Investment Policies Loom For Public Retirement Systems

By ROGER F. MURRAY*
S. Sloan Colt Professor of Banking and Finance
Graduate School of Banking, Columbia University, New York City

State and local retirement systems, as were private pension funds ten years ago, are shown to be facing rapid compositional portfolio changes involving substantial addition of equities but are not expected to reach the over the 30% mark of corporate trusteed funds. Dr. Murray observes other trends and comments on their implication for portfolio management. Concerned about the creation of an artificial market, the former banker explains why public funds should not purchase issues for the benefits of taxpayers who are paying the pension contributions.

Trends in Investing

The investment policies of State and local government retirement systems are in a period of rapid changes. There is in process a continuous breaking away from past uniform patterns of placing funds largely or even exclusively in Federal, state, and municipal obligations. During the past decade, trusteed corporate pension funds established for the employees of business organizations went through a similar evolution. Indeed, if holdings of State and local government obligations are excluded, the present diversification of public retirement system investments is not unlike that of private funds ten years ago:

Dr. Roger F. Murray

Estimated Diversification

	State and Local Gov't Retirement Systems, 1958*	Corporate Pension Funds, 1948
Cash	2%	3%
U. S. Treasury bonds	46	39
Corporate bonds	42	43
Corporate stocks	3	11
Other assets	7	4
	100%	100%

*Excluding State and local government obligations.

In general, we may fairly conclude that it is true for public funds in the aggregate that they are currently invested about the way private funds were invested ten years ago, particularly when we exclude for later consideration amounts invested in state and local government obligations. From this observation should we conclude that public funds ten years hence will be invested as private funds are invested currently? Is it true that there is a ten-year lag in the liberalizing of public fund investment policies? If so, public retirement system administrators are in the unique position of having a long preview of their future activities.

In favor of such a conclusion is the fact that many characteristics of private funds are equally attributable to public funds. In either case, the basic assignment is to invest a fund to produce the maximum long-term rate of return, taking into account both current income and capital gains and losses. The higher the return, the lower the cost of providing a given level of benefits. For a typical group, an additional return of ½ of 1% per annum will reduce the cost of the plan by as much as 12%.

Reasons for Funding

Principal purposes of establishing a fund, instead of operating on a pay-as-you-go basis, are: first, to equalize the cost of the plan between current and future periods; and, second, to assure the employees that there will be funds for their pensions in the event that the employer goes out of existence. There are, of course, other reasons for funding, but these are among the principal ones. In the case of public services, it is, of course, highly desirable to face up to the cost of retirement benefits as they are incurred, rather than postponing them for payment by future generations of taxpayers. The electorate is entitled to know what state and municipal services are actually costing them.

But the second reason mentioned for funding is less applicable because governmental units do not go out of existence as private business organizations may. The power to tax for the purpose of paying pensions continues indefinitely, while private business may or may not be able to sell its goods and services over the long future. If we think of the fund as a bundle of collateral pledged to fulfill a promise of retirement benefits made by an employer to his employees as a group, it is certainly arguable that collateral offered by a private business should be of higher quality and more stable in value than that posted by a public body.

Thus we might well conclude that the portfolio of a public retirement system, to the extent that it represents employer contributions at least, can properly be less conservatively invested than a private pension fund. By "less conservatively," I mean, of course, with less emphasis on short-run price stability and liquidity, but with the same concern for long-term earnings after taking into account capital gains and losses. This would mean more of an investment in real estate and corporate equities and materially less in higher grade bonds.

Before accepting this conclusion at face value, however, we should recognize two special characteristics of public funds which will continue to inhibit the freedom of administrators in the range of their investing activities. First, there is the large proportion of employee contributions, with their 1957 payments into retirement funds representing 36.6% of total annual receipts in contrast to 48.9% from employers, and 14.5% from earnings on investments. For corporate trusteed plans in 1957, on the other hand, employees contributed only 9.5% of total receipts, with employers and earnings providing 69.3% and 21.2%, respectively. This large fraction of employee contributions in public funds does represent a different problem in a sense, more analogous to a life insurance contract or a savings fund. It is quite defensible to invest this fraction of the total on a more conservative basis.

Lack Professional Management

The second special characteristic is an institutional one. On the one hand, private funds are administered by professional investment managers with established records of performance, continuity in trained staffs, and experience in all fields of investment. On the other hand, public funds are the reponsibility of public officials not necessarily trained for the special duties of investing for the long term and not ordinarily having the trained staffs or the assurance of continuity in the execution of investment policy so crucially important in achieving good results. Strangely enough, despite the large sums at stake, there is reluctance to meet the cost of providing the kinds of skills needed for good investment management.

The significance of the differences in the type of investment management is very real in terms of the amount of aggressiveness which can be blended into a prudent investment policy. The test comes, of course, at that time of adversity when even the best program needs defending by experienced people who have been through such periods before without losing their nerve or their good judgment. Even the simple matter of buying A-rated bonds instead of AA-rated issues can require this kind of confident defense at times; with equities, of course, the problem is much more acute.

The investment manager of a public fund, too, has to be ready to report on each year's operations to a group of employees and legislators not known for their understanding of the vagaries of the capital markets. The pressure is strong, then, to do not only what is safe but also what uninformed people think is safe. Accepting less than a reasonably attainable rate of earnings in order to be eminently respectable is an appealing approach to formulating investment policy.

Under all the circumstances, therefore, it seems to me that equity investments by public retirement systems will be substantially larger ten years from now than they are today; but I see no likelihood of their approaching the proportions of over 30% at book value which they represent of private funds. The preceding considerations rather than legal obstacles will be responsible for the moderate rate of growth. Corporate bonds and real estate mortgages will continue to represent a larger proportion of total assets, but I would expect the holdings of U. S. Treasury securities to remain well above the 9% fraction which they comprise of private pension trusts.

To illustrate trends, without attempting a forecast, one might

Continued on page 31

*An address by Mr. Murray before the National Association of State Auditors, Comptrollers, and Treasurers, Philadelphia, Pa., Sept. 17, 1959.

The Over-the-Counter Market Biggest and Broadest – and Still Expanding

Continued from page 29

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
Iowa Public Service Co. Electricity, natural gas, steam & water	20	0.80	17⅞	4.5
Iowa Southern Utilities Co. Public utility, electric, gas, steam heat	13	1.32	28¼	4.7
Irving Trust Co. (N. Y.)	53	†1.58	39¼	4.0
Ivey (J. B.) & Co. Department store chain	28	1.00	18¼	5.5
Jahn & Ollier Engraving Co. Photo-engraving and offset color positives	26	0.15	3	5.0
Jamaica Water Supply Co. Long Island water supplier	41	2.10	44¼	4.7
Jantzen Inc. Sportswear manufacturing	18	†0.78	25½	3.1
Jefferson Electric Co. Electrical devices	25	0.60	15⅞	3.8
Jefferson Standard Life Ins. Life insurance	47	1.25	86¼	1.4
Jenkins Bros. Valves	24	2.00	50½	4.0
Jersey Insur. Co. of N. Y. Multiple line insurance	a26	1.54	34	4.5
Johnson Service Co. Temperature and air conditioning controls	*24	2.30	83	2.8
Jones & Lamson Machine Co. Lathes, grinders, comparators, threading dies	24	1.00	27	3.7
Joslyn Manufacturing & Supply Co. Electrical and communication pole line equipment	24	2.30	68	3.4
Julian & Kokenge Co. Women's shoes	31	1.00	16½	6.1
Kahler Corp. Hotels, restaurant and laundry operator	43	1.60	30½	5.2
Kalamazoo Veg. Parchm't Co. Pulp and paper, specializing in food protection papers	34	1.50	38	3.9
Kanawha Valley Bank (Charleston, W. Va.)	*74	8.00	175	4.6
Kansas City Fire & Marine Insurance Co. Multiple-line insurance	24	1.25	26	4.8
Kansas City Life Ins. Co. Non-participating life	*35	9.00	1,475	0.6
Kansas City Structural Steel Buildings, bridges and tanks	11	0.70	18	3.9
Kansas City Title Insurance Company Title insurance, abstracts, escrow	19	2.50	61	4.1
Kansas-Neb. Natural Gas Co. Natural gas production, transmission and distribution	22	1.85	43	4.3
Kearney (James R.) Corp. Utility equipment	22	1.65	23½	7.0
Kearney & Trecker Corp. Milling machines	17	0.15	16½	0.9
Kendall Company (The) Surgical dressings, elastic goods, textile specialties and pressure-sensitive industrial tapes	19	2.00	63	3.2
Kendall Refining Co. Producing, refining and marketing of petroleum and its products	57	1.10	22¾	4.8
Kennametal Inc. Hard carbide compositions, cutting tools and specialties	16	1.20	28	4.3
Kent-Moore Organization Special service tools & equipment	11	0.80	12¼	6.5
Kentucky Central Life & Accident Insurance Co. Non-participating life	21	3.50	120	2.9

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.

The Over-the-Counter Market Biggest and Broadest – and Still Expanding

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
Kentucky Stone Co. Crushed stone	16	2.00	52	3.8
Kentucky Utilities Co. Electricity supplier	20	1.46	35	4.2
Kerite (The) Company Manufacture insulated wire and cable	27	1.50	26¾	5.6
Kings County Trust Company, Brooklyn, N. Y.	69	†3.82	105	3.6
Kingsburg Cotton Oil Co. Cotton seed products	12	0.15	2	7.5
Kingsport Press, Inc. Book manufacturing	15	†0.78	31	2.5
Kinney Coastal Oil Crude oil produced	17	0.17	2¼	7.6
Kirsch Company Manufacture venetian blinds, drapery hardware and refrigeration hardware	12	1.00	18½	5.4
Kittanning Telephone Co. Communication	41	1.30	25	5.2
Knights Life Insurance Co. of America Life insurance	38	1.00	67	1.5
Knudsen Creamery Co. of California Wholesale dairy products	19	†1.13	40	2.8
Koehring Co. Earth moving and construction equipment	18	0.40	17⅞	2.2
Kuhlman Electric Co. Manufacturer transformers, metal melting furnaces, fabricate aluminum products and packaging	13	0.80	15	5.3
Kuner-Empson Co. Canned vegetables, bottled pickles	13	0.30	5	6.0
Kuppenheimer (B.) & Co., Inc. Manufacturer of men's clothing	18	1.00	25	4.0
La Salle Natl. Bk. (Chicago) Makes and wholesales men's clothing	11	†2.54	97	2.6
Laclede Steel Co. Basic steel manufacturer	48	8.00	220	3.6
Lake Superior Dist. Pwr. Co. Public utility (electric, gas and water)	22	1.20	33	3.6
Lakeside Laboratories, Inc. Pharmaceutical products	11	1.00	90	1.1
Lake Superior & Ishpeming Railroad Co. Operating railroad	35	1.60	29	5.5
Lake View Trust & Savings Bank (Chicago)	*39	8.00	350	2.3
Lamston (M. H.) Inc. Variety store chain	15	oo0.50	12	4.0
Lang & Co. Wholesale grocery, beer distributing and investments.	20	0.50	6	8.3
Langendorf United Bakeries West Coast baker	22	1.20	23¼	5.2
Latrobe Steel High speed, tool and die, stainless steels	21	†0.79	33¼	2.4
Lau Blower Co. Manufacture of air moving equip.	24	0.30	7	4.3
Lee (H. D.) Co. Inc. Mfr. of work, utility and play clothing	27	3.50	72	4.9
Leece-Neville Co. Starting-light equipment for autos and aircraft	36	0.30	13½	2.2
Liberty Bk. of Buffalo (N.Y.)	14	1.55	37½	4.1
Liberty Life Insurance Co. Non-participating	17	1.00	132	0.8
Liberty Loan Corp. Consumer credit	24	†0.86	33½	2.6
Liberty Natl. Bank & Trust Co. of Louisville	18	†2.36	62	3.8
Liberty Natl. Bank & Trust Co. of Oklahoma City	24	0.80	28½	2.8
Liberty National Life Insurance Co. Life insurance	26	†0.27	45¼	0.6
Life & Casualty Ins. of Tenn. Life, accident and health	23	0.60	22⅞	2.6
Lincoln Natl. Bank & Trust Co. of Fort Wayne	19	2.50	73	3.4
Lincoln National Bank & Trust Co. of Central N. Y. Formerly Lincoln National Bank & Trust Co. of Syracuse. New name adopted in April 1959.	a25	1.55	38½	4.0
Lincoln Natl. Life Ins. Co. Life insurance	40	2.20	213	1.0
Lincoln Rochester Trust Co. (Rochester)	23	†2.46	57	4.3
Lincoln Square Building Co. Springfield, Ill. real estate	25	10.00	125	8.0
Lincoln Telephone & Telegraph Co. Operating public utility	31	2.60	58½	4.4
Loblaw Inc. Grocery chain	21	2.00	158	1.3
Lock Joint Pipe Co. Water and sewer pipe	23	†0.71	19¾	3.6
Loft Candy Co. Leader in the candy field	17	0.20	3⅝	5.5
Lone Star Brewing Co. Lager beer	14	1.75	32	5.5

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.
oo Plus 20% stock dividend paid April 1, 1959.

Continued on page 32

New Investment Policies Loom For Public Retirement Systems

Continued from page 30

assume that a decade hence the composite diversification pattern would be something along these lines:

	% of Total Assets*	Changes from 1958
Cash	2	--
U. S. Treasury bonds	25	—21
Corporate bonds	55	+13
Corporate stocks	8	+ 6
Other assets†	10	+ 3
	100	

*Excluding state and local government obligations.
†Including mortgages.

This may underestimate the trend toward stocks and real estate mortgages, but in growing funds a substantial change in the type of new investments made would be necessary to effect even these shifts in percentages. In any event, this hypothetical statement is designed only to indicate the direction of changes rather than to estimate precise asset allocations.

Despite the trend toward more liberal and flexible laws governing retirement system investments, it appears that performance will depend largely on the skill applied to investing in two sectors of the capital markets: the corporate bond market, including direct placements, and, to a limited extent, the real estate mortgage market. It is no secret that many public funds have a reputation of not being very skillful in these markets. Too often they have been the principal buyers of overpriced new issues. Even now they are the important market for bonds immediately refundable at moderate cost to the borrower, despite the fact that we are obviously in a period of tight money.

Investors who are critical on these counts forget that they made most of the same mistakes before they learned better from experience and before they were subjected to such keen competitve pressures to show good results. It seems obvious that the serious fiscal problems of state and local governments will inevitably cause a rise in the standards for investment management of these large aggregations of capital. More and more, results will be compared and the laggard performance will be identified and corrected. Current criticisms will be withdrawn as management of the assets continues to show improvement.

Up to this point, however, we have considered only the public retirement system investments other than state and local government obligations. We have ignored 25% to 26% of total assets. I estimate that at the end of last year such holdings represented about 6.7% of outstanding long-term state and local government bonds as compared with 5.1% ten years ago. Because so many funds have diversified their portfolios and drastically reduced the proportion of tax-exempt bonds in recent years, it may be surprising to observe that holdings represent a larger fraction of existing debt than before.

What about propriety of buying tax-exempt securities in a fund which pays no taxes? Private pension funds do not, but they usually have a wider range of choices. One question relates specifically to the purchase of the securities of the governmental body by which the prospective pensioners are employed. If we think of the fund as collateral to a pledge of current and future contributions, we can see no justification whatever for investing in the employer's securities. In private plans, this practice is closely watched and strictly regulated by the U. S. Treasury Department.

In terms of the security for the employer's payments to the fund, it is evident that the promise to pay of some other qualified borrower is a real asset while the promise of the employing government unit is only restated as to form, upgraded perhaps, by the substitution of funded debt for a contract to provide pensions in the future. No doubt debt service is a stronger claim against the taxing power than a retirement system law. But a well secured claim against someone else's revenues is even better. The concept of funding includes the thought that pensioners, who have spent their working lives in dependence upon the solvency of their employer, in retirement should have the safety provided by a diversified portfolio of investments.

One argument often advanced is that local economic development is supported by the purchase of local securities. This is a slippery concept; it can be used to justify almost any kind of investment, whether soundly conceived or not. Once one departs from the investment criteria established in the marketplace, there is no real stopping place. Furthermore, retirement systems are a public trust. Both taxpayers and employees are entitled to disinterested efforts to administer them as effectively as humanly possible. Worthwhile projects can often be financed without subsidy if they are soundly conceived. If subsidy is necessary, let it be openly provided by appropriation and not by operations of pension funds.

Doubts Taxpayers Are Better Off

A more compelling argument is that public funds may properly be used to aid in the floating of new securites to the benefit of the same taxpayers who are paying for the pension contributions. However, it is doubtful that the taxpayers are really better off. Suppose the retirement system buys a new issue of the employer's securities at 4¼% so that in a tight market like the present they do not have to carry a 4½% rate. Taxpayers, possibly even the same individuals, have to pay less for debt service and more for the retirement program. They come out in the same place and the financing is accomplished without difficulty. This seems reasonable enough until we realize that the retirement system could have invested the funds in taxable bonds yielding 4¾% to 5%. Clearly the taxpayers are better off following this procedure and letting the new bond issue carry a higher coupon. If the local borrower cannot pay the prevailing market rate for any reason, there must be better ways to meet this problem than creating an artificial market in the retirement system portfolio.

There are some arguments for buying tax-exempt bonds in public retirement systems at a relatively small yield differential from taxable securities. They are based on the demonstrated safety of general obligations of state and local governments. In addition, it may be presumed that the fund administrators are better qualified to judge these issues than corporate bonds or mortgages. Also, an important value might be assigned to the fact that such obligations are usually noncallable for an extended period, or to maturity. But taken all together, these arguments certainly do not justify such investments at the wider yield differential now prevailing between taxable and tax-exempt issues of comparable quality.

The case against buying either the employer's securities or other tax-exempt bonds under present circumstances is unassailable, it seems to me; but this does not mean that either practice will stop. I would suggest simply that on a relative basis such investments will diminish in importance over the years. The reasons for this belief are the emerging characteristics of the investment management of state and local government retirement systems. This management is becoming increasingly experienced and better advised. The amounts involved are such that a superior performance means large savings. As a consequence, market factors rather than local pressures will inevitably become dominant in investment decisions.

In summary, we can observe a few of the implications for portfolio management inherent in these trends:

(1) Within the limitations of practicality, efforts must continue to eliminate restrictive provisions of laws and regulations governing the range of investment discretion.

(2) More careful and informed negotiating must be applied to making new commitments. This involves more experienced personnel and the employment of qualified advisers.

(3) The objective of improving long-term earning power, irrespective of an assumed rate of return, must be emphasized as the primary goal of investment policy.

(4) Independence from other financial and administrative activities of the governmental unit must be strengthened.

(5) Finally, and above all, this investment management problem must be seen as an effort conducted in competition with other long-term investors.

Virtues of Municipal Bonds In a Bank's Portfolio

By ALFRED H. HAUSER*

Vice-President, Chemical Bank New York Trust Company, New York City

Reminders on the essence of banking portfolio management include a forthright endorsement of the advantages of Municipals. Mr. Hauser explains how Municipals' liquidity can be maintained, points out that they obtain a larger yield than Government and corporate securities after taxes, and does not minimize the longer work required. The Banker advises making use of present high Government yield period to plan to utilize Municipals as soon as the opportunity is once again present.

It has been my philosophy to make every portfolio dollar work just as hard as possible, to earn the maximum income, and to reap every possible corollary benefit. At the same time, it has been necessary to keep a watchful eye on liquidity in order to have funds available to increasing loan demands and possible withdrawal of deposits.

Alfred H. Hauser

The portfolio man must recognize that the bank's business is to make loans and to serve its community, rather than to make investments which are completely dissociated from the requirements of the bank's depositors.

A successful application of this philosophy may be accomplished with the expenditure of a considerable amount of time in studying the subject, in planning, and in daily operation.

*From a talk by Mr. Hauser before the Investment Seminar of the New York State Bankers Assn., New York City, Sept. 18, 1959.

Planning and Projecting

The essential element of planning is to make it possible to bring about what you want to do, rather than to wait for things to happen and be forced to do what someone else directs.

To do a proper job you will have to make some projections of economic trends locally and nationally. You will have to make some assumptions as to the condition of the money market and the trend of interest rates.

Planning for the investment portfolio includes distribution of funds between Government and Municipal bonds, as well as a breakdown by maturities.

Advantages of Municipal Securities

The distinct advantage of Municipal securities is so well recognized that it needs no lengthy explanation. For years it has been possible to obtain a larger net return from Municipal investments than it was possible to derive from Government or Corporate securities, and usually the net return exceeded many other forms of investment which were completely lacking in marketability. Of course, I am comparing the yield on Municipal bonds with the after-tax yield on other forms of securities. For many years this spread may have amounted to 50 to 100 basis points. In today's market the spread is not so great, particularly when comparison is made with Treasurys which sell at deep discounts.

If it is possible to get even ¼% more without damaging liquidity we benefit to the extent of $2,500 per million dollars invested. A portfolio of tax-exempt bonds can be kept as liquid as Governments, if handled right. I define liquidity as the ability to convert into cash without appreciable loss.

How can this liquidity be maintained in Municipals which are generally not considered to have nearly the degree of marketability which short-term Treasurys enjoy? It involves assigning a capable man who knows Municipal credits, bond markets, and tax matters thoroughly. He should also have a good acquaintance with accounting practices, and must develop numerous contacts with securities dealers. Liquidity may be maintained by frequent turnover of the investments, so that the goods on the shelf are fresh and are marked to market.

I have felt that the value of Municipals has been underestimated and to some extent misjudged. The experience of banks which have maintained active Municipal accounts has demonstrated the ability to raise large amounts of cash with less loss than on an equal amount of Governments. It takes longer to find buyers and it requires considerably more work. When the higher income received during the whole period of retention is taken into account, however, the net result is usually substantially better.

Timing the Purchase

If you do not now have a Municipal account there is certainly no hurry to establish one. Even since the preparation of my notes for this paper, yields on Governments have increased to such an extent that there is at the moment a small advantage in Municipal issues. However, I suspect that the day will come when spreads will again make it worthwhile to set up a Municipal Account or to increase present holdings. Do your planning now and be ready to seize the opportunity when it is presented.

Bond Club of Phoenix Formed

PHOENIX, Ariz. — Investment men of Phoenix have formed a new organization, the Bond Club of Phoenix, to promote dissemination of investment information and cooperation among investment firms.

Officers of the new group are: William Hall, E. F. Hutton & Co., President; Robert Garrett, Dean Witter & Co., Vice-President; Ernest Bell, William R. Staats & Co., Secretary, and Philip Young, Refsnes, Ely, Beck & Co., Treasurer. Members of the Board of Directors are: Mr. Hall, Mr. Garrett, Maurice O'Neill, Jr., Walston & Co., Inc., James F. McGinnis, Shearson, Hammill & Co.; George Stoebert, Francis I. du Pont & Co., and Fred Andlauer, Merrill Lynch, Pierce, Fenner & Smith Incorporated.

Chicago Analysts to Hear

CHICAGO, Ill.—Carl A. Gerstacker, Vice-President and Treasurer of The Dow Chemical Company, will be guest speaker at the luncheon meeting of the Investment Analysts Society of Chicago to be held Oct. 1 at the Midland Hotel.

Twin City Inv. Women Dinner & Meeting

MINNEAPOLIS, Minn. — The Twin City Investment Women's Club will hold a dinner and meeting at the Can Con Room, Hotel Dyckman, Nov. 18. Allen S. King, President of Northern States Power Company, will be guest speaker.

The Over-the-Counter Market Biggest and Broadest – and Still Expanding

Continued from page 31

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
Longhorn Portland Cement — Manufacturer of Portland Cement	22	2.00	36¼	5.5
Lorain Telephone Co. — Operating public utility	a63	†1.37	32½	4.2
Louisiana State Rice Milling Co. — Rice and by-products	18	0.60	23	2.6
Louisville Title Mortgage Co. — Title insurance on real estate	23	1.25	33	3.8
Louisville Trust Co. (Ky.)	16	1.55	37½	4.1
Lucky Stores, Inc. — Retail food chain on Pacific Coast	14	0.80	28⅞	2.8
Ludlow Mfg. & Sales — Jute, paper and plastics	87	1.60	30	5.3
Ludlow Typograph Co. — Typesetting equipment	14	0.85	15	5.6
Luminator-Harrison, Inc. — Automotive & electrical products	13	0.70	11¼	6.2
Lynchburg Foundry Co. — Cast iron products	20	0.50	17½	2.9
Lynchburg Gas Co. — Natural gas supplier	16	1.00	25½	3.9
Lynn Gas & Electric Co. — Operating public utility	52	1.60	36	4.4
Lyon Metal Products, Inc. — Fabricated steel products	22	1.875	39	4.8
Macco Corp. — Oilfield construction and maintenance	11	0.60	25½	2.4
Macmillan Co. — Well-known book publisher	61	1.50	43¼	3.5
Macwhyte Co. — Wire, rope, cables	15	1.40	25½	5.5
Mading Drug Stores Co. — Houston drug chain	13	0.60	13⅜	4.5

Over-The-Counter Consecutive Cash Dividend Payers From 5 to 10 Years Appear in the Second Table Starting on Page 42.

Madison Gas & Electric Co. — Public utility, gas and electric	50	1.80	53	3.4
Magor Car Corp. — Railroad rolling stock	23	2.00	30½	6.6
Mahon (R. C.) Co. — Fabricated structural steel and sheet metal products	23	1.20	29	4.1
Maine Bonding & Casualty Co. — Multiple line fire and casualty	a20	0.80	18¼	4.4
Manufacturers Life Insur. Co. — Life insurance	*50	2.80	260	1.1
Manufacturers National Bank of Detroit	20	1.80	42¼	4.3
Manufacturers & Traders Trust Co. (Buffalo, N. Y.)	72	†1.19	27¾	4.3
Manufacturers Trust (N. Y.)	50	2.05	53⅝	3.8
Maremont Automotive Products, Inc. — Auto parts	20	†1.22	31	3.9
Market Basket (Los Ang.) — Retail market chain	20	ss1.00	28¼	2.9
Marlin-Rockwell Corp. — Mfr. ball and roller bearings	35	1.00	19¾	5.1
Marshall & Ilsley Bk. (Milw.)	21	†2.22	78	2.8
Marshall-Wells Co. — Manufactures and wholesales hardware and kindred lines	*14	8.00	320	2.5
Maryland Casualty Co. — Multiple-line insurance	11	1.50	37½	4.0
Maryland Credit Finance Corp. — Auto financing	12	1.75	33	5.3
Maryland Shipbuilding & Drydock Co. — Ship construction, conversion, repairs and manufacturer of industrial products	25	†1.93	32½	5.9
Maryland Trust Co. (Balti.)	24	2.00	56½	3.5

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.
ss Plus 3% stock dividend paid on Jan. 25, 1959.

The Over-the-Counter Market Biggest and Broadest – and Still Expanding

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
Massachusetts Bonding & Insurance Co. Diversified insurance	23	1.60	34½	4.6
Massachusetts Protective Association, Inc. Accident and sickness insurance	26	1.50	69	2.2
Massachusetts Real Estate Co. Real estate	24	4.50	110	4.1
Mastic Corp. Formerly Mastic Asphalt Corp. New name adopted on May 1, 1959. Imprinted brick and insulating siding	19	0.20	5¼	3.8
Mathews Conveyor Co. Conveying equipment	13	1.00	23	4.3
Matthiessen & Hegeler Zinc Co. Zinc smelting and rolling. Manufacturers of sulphuric acid and ammonium sulphate	13	†0.78	28	2.8
Maxson (W. L.) Corp. Electronic equipment	10	0.15	12⅝	1.2
Mayer (Oscar) & Co., Inc. Meat and meat processing	23	0.95	42	2.3
McCloud River Lumber Co. Western softwood lumber	24	4.00	81½	4.9
McCormick & Co. Inc. Manufacturers & distributors of spices, extracts, tea, etc.	35	1.40	28½	4.9
Meadville Telephone Co. Operating public utility	35	2.00	33	6.0
Medford Corp. Lumber manufacturer	19	7.00	217	3.2
Mellon Natl. Bank & Trust	54	†3.94	152	2.6
Melrose Hotel Co. Dallas residential and transient hotel	27	2.00	38	5.3
Mercantile National Bank of Chicago	23	1.90	52	3.6
Mercantile National Bank at Dallas	24	†1.14	31½	3.6
Mercantile-Safe Deposit and Trust Co. (Baltimore)	89	5.00	115½	4.2
Mercantile Trust (St. Louis)	57	3.00	70	4.3
Merchandise National Bank of Chicago	25	†0.98	33	3.0
Merchants Acceptance Corp. Small loans and general financing	22	1.80	29½	6.1
Merchants Fire Assur. Corp.	47	†1.075	40	2.7
Merchants and Manufacturers Insurance Co. of N. Y. Fire, marine, allied lines and multiple peril insurance coverages	23	0.65	13½	4.8
Merchants National Bank of Boston	128	2.00	50	4.0
Merchants National Bank in Chicago	21	o1.50	40	3.7
Merchants National Bank of Mobile	57	3.25	83	3.9
Merchants National Bank & Trust Co. (Indianapolis)	*34	0.80	42	1.9
Merchants National Bank & Trust Co. of Syracuse	19	1.60	40	4.0
Meredith Publishing Co. Publishing and radio and television broadcasting	31	1.80	36½	4.9
Merrimack-Essex Electric	a109	1.28	29⅞	4.3
Messenger Corp. Manufacture and sales of funeral director service, religious calendars and greeting cards	23	0.50	10¼	4.9
Metropolitan Storage Warehouse Co. General warehouse	40	4.00	31	12.9
Meyercord Co. Decalcomanias	18	0.20	6⅝	3.0
Michigan Gas & Electric Co. Electric and gas utility	14	nn1.70	71½	2.3
Mich. Natl. Bank (Lansing)	18	1.00	46	2.2

* Details not complete as to possible longer record.
a Including predecessors.
† Adjusted for stock dividends, splits, etc.
o Plus a 25% stock dividend paid on Jan. 26, 1959. Dividend payments are still 75c semi-annually.
nn Plus 3% stock dividend paid on Dec. 31, 1958.

Continued on page 34

The French Position on European Economic Integration

Continued from page 10

erned exclusively by national interests.

European Economic Community

The successful experience of the Coal and Steel Community has opened the way to the extension of economic integration of the countries agreeing to such methods, to a general integration of their economies, in the European Common Market, or to use its official name: European Economic Community.

The general attitude of French opinion towards this project has been less generally favorable than to the Schuman plan. The new venture was far more ambitious and implied the necessity of a revolutionary change in concepts and in operation of the whole French economy. It was therefore bound to be very controversial.

Traces French Attitude

Traditional French economic policy had been based on strong overall protection, which insured a balance between agriculture and industry, considered especially before World War II a desirable goal. On the other hand protection, which preserved survival of inefficient producers in industry and in agriculture, was a drag on progress, and an impediment to economic expansion, which however was anyhow rendered difficult by stagnation of population. The general attitude of French producers toward foreign competion was defensive more than offensive, they wanted to secure their domestic market rather than conquer foreign ones.

Massive investment under the Monnet Modernization and Equipment plans, made since the end of World War II, has somewhat changed this situation and improved the competitive position in particular of the basic industries, as witnessed by the favorable performance of French coal and steel industry under the Schuman Plan. The tremendous economic expansion achieved since, and particularly during the period 1954-1957, when the rate of economic growth in France was unequalled anywhere in the Western World, not excluding even Western Germany, has provided an even more convincing proof of the gradual switch in France's outlook from the prewar inevitable stagnation to expansion. Moreover, such an expansion is now absolutely essential owing to the prospect of a rapid increase in active population starting with the early 1960s, a consequence of the recovery of the birth rate since the end of the war.

However, there still exists in French industry, and even more in agriculture a multitude of medium and small farms and firms using outdated methods and techniques, which can survive only with a high price level and thus require protection. Moreover, the cost of heavy domestic and overseas investment, the basis for the economic expansion achieved since the war, has been an increase in inflationary pressures, which resulted in raising the domestic price level and causing frequent balance of payment difficulties. The question whether the French economy would be able to weather foreign competition on a Common Market caused, therefore, great controversies in public opinion. There was unanimous agreement on the necessity of modernization or reconversion of the noncompetitive sectors of industry and agriculture, However some Frenchmen, in particular Mendes France, considered that these changes had to be made prior to entry in the Common Market and were thus an essential precondition for its acceptance. On the contrary, Jean Monnet, the initiator of the movement toward European economic integration, felt that the rigidities inside the French economy were so strong that they could be only overcome under the pressure of the increased competition due to result from entry in the Common Market.

Conditions Set By France

This background explains the conditions demanded by France during the negotiations on the Common Market and which were met in the Rome Treaty: The lengthy period of gradual implementation of reduction in duties and increase in quotas, the escape clauses, the provisions on harmonization of social legislation (wages of female workers) and on common policies on agriculture and above all the provisions for association of overseas territories, which imply a participation of other EEC members, even though to a limited extent. France supports a heavy load of investment grants and preferential treatment of major export products in the economy of its overseas territories.

Seen through French eyes—and that is the manner I am supposed to see it — Great Britain's traditional attitude toward European unification, political and economic, had been always one of opposition and in the case of Napoleon and Hitler not without very good reasons. However, it may be noted that Britain had also opposed in 1930 Briand's proposal of a European customs union—it considered impossible to conciliate participation in such a union with its bonds to the Commonwealth which were at that time in process of being strengthened by the preferential tariffs introduced at the Ottawa Conference. On the other hand, U. K. considered a union of the continent harmful to its interests.

Such a reasoning appears to the French to be still the basis of the general British attitude toward European economic integration. While establishment of customs unions between all or some members of the OEEC has been explicitly stated to be a desirable method of economic integration, and recommended in the Marshall Plan agreements, U. K. has consistently refused to join any such ventures, including the first attempt of a partial sector integration, the Coal and Steel Community, with which however, once it had been established, Britain agreed to cooperate.

Britain's Counter Proposal

As to EEC, Britain at first did not consider its prospects of realization serious, in view of the contradiction existing between free trade tendencies of Benelux and Western Germany and the protectionist attitude of France. It was therefore only in mid-1956, when the treaty for establishment of the Common Market was in process of being finalized, that Britain got alarmed at the prospect of establishment of a stronger knit economic union between the six countries of continental Western Europe. In order to avoid

Continued on page 34

The French Position on European Economic Integration

Continued from page 33

what the British called a dangerous split in Western Europe, due to be caused by the EEC, they suggested the establishment of a looser union embracing the whole of the OEEC area to be called the "European Free Trade Area."

I do not need to enter into all the details of these proposals. Suffice it to say that for the French —who had considered having already, by accepting the Common Market, gone to the limit of possible concessions in reducing protection of their domestic market—they appeared entirely unacceptable. The main criticism raised by the French was the absence of a common tariff, which might enable goods imported by low tariff countries, e.g. United Kingdom, to enter high tariff countries, e.g. France, after possibly only a small degree of processing, the exclusion of agriculture and of any provisions concerning overseas territories. Nevertheless, while this opposition, on economic grounds, found French opinion practically unanimous, even though most vocal in the industrial and agricultural organizations directly concerned, for extra economic reasons—the natural desire to maintain a close cooperation with Great Britain—the proposals had not been rejected outright. On the contrary, France concurred with the decision made by the Council of the OEEC on Feb. 12, 1957 to conduct negotiations with the objective of establishment of a Free Trade Area. These negotiations had been conducted for nearly two years in the framework of the OEEC.

France Wanted Similar Tariffs and Quotas

During these negotiations the French insisted on the necessity of achieving, parallel to abolishment of tariffs and quotas between member countries of the Free Trade Area, a maximum degree of harmonization of tariff and quota policies in relation to third countries and of coordination of social and agricultural policies. The success achieved in this harmonization and coordination would determine the degree of economic integration which might be achieved in the Free Trade Area.

The negotiations reached their climax in October, 1958, when a memorandum of the six members of EEC on the proposed European Economic Association had been submitted for discussion at the Intergovernmental Committee of OEEC. This memorandum provided essentially for free movement inside the proposed Association for goods for which differences in duties levels of the external tariff did not exceed a certain permitted range, while in case of a greater difference, compensatory charges would be levied. The necessity of coordinating economic and especially foreign trade policies, in order to prevent unilateral changes in tariffs by one member country which might jeopardize the competitive position of other members, was also stressed. The British considered to be able to negotiate from a position of strength, as France appeared isolated, some of her partners being far more willing to accept the Free Trade Area. Moreover, her bargaining power was weakened by her balance of payment difficulties, which a few months earlier had put her in the necessity to withdraw all measures of liberalization adopted under the OEEC agreements. It appeared at that time even likely that France would be unable to apply the initial measures of tariff reduction and quota liberalization of the EEC due on January, 1959, and would have from the start to request the benefit of the escape clauses provided in the Rome Treaty.

U. K. Backs Out in November, 1958

The attitude of the U. K. delegation presided by Mr. Maudling was considered by the French rather high handed. In particular they resented his rejection of the proposals for coordinated foreign trade policies, pointing out that the U. K. was applying such a coordination in its relations with the Commonwealth. The French Government having then also refused to accept the British proposals, negotiations were broken off on Nov. 14, 1958, in spite of the decision made by the EEC member countries to apply unilaterally and without any counterpart to all members of the OEEC the initial 10% reduction in tariffs and increase in quotas due to come into force on Jan. 1, 1959, withholding from the nonmembers of the Common Market only the increase in global quotas to 3% of national production.

The situation of France, which was menaced with reprisals, in particular with termination of the European Payment Union, was however drastically improved in December, 1958, by introduction of monetary and economic reforms. The devaluation of the franc reestablished the competitive position of her economy, enabling her to accept without any restrictions the initial step of implementation of the Common Market Treaty, as well as to restore the measure of trade liberalization to which it was pledged under the OEEC Treaty. The criticism levied by the British on French attitude lost thus a major part of its justification.

The disagreement between France and Britain over economic integration or more modestly worded, custom and quotas disarmament, naturally reflects a conflict of interests. It is also based on an opposition of principle. The French, in particular reject as unfounded the British accusation of discrimination levied against EEC. A customs union, recognized as legitimate under GATT rules, discriminates by definition against all non-members. They are irritated by what they consider an unreasonable claim of the British to have the best of both worlds: to benefit from the advantages of EEC without giving any equally valuable counterpart and without abandoning the Imperial preference system of the Commonwealth, while refusing to grant to agricultural exports of the EEC countries to U. K., which amount to about $400 million, an

Continued on page 35

The Over-the-Counter Market Biggest and Broadest – and Still Expanding

Continued from page 33

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
Michigan Seamless Tube Co. Sheet tubing	20	†1.25	27	4.6
Middle States Telephone Co. of Illinois Operating public utility	20	0.925	23½	3.9
Middlesex County Natl. Bank (Mass.)	23	2.40	51½	4.7
Middlesex Water Co. Operating public utility	46	1.25	45	2.8
Midwest Rubber Reclaiming Mfrs. of reclaimed rubber	22	p1.15	21	5.5
Miles Laboratories, Inc. Alka Seltzer	65	1.62	67¾	2.4
Miller Mfg. Co. Tools for auto and engine repair	17	0.20	5¾	3.5
Miller & Rhoads, Inc. Richmond (Va.) department store	40	1.15	22¾	5.1
Millers Falls Co. Tools	*22	†0.56	15	3.7
Minneapolis Gas Co. Natural gas distributor	a40	1.475	30¾	4.8
Mississippi Glass Co. Rolled glass, wire glass, etc.	12	2.00	41¾	4.8
Mississippi Shipping Co. Steamship operators	34	0.625	16⅛	3.8
Mississippi Valley Barge Line Co. Commercial carrier; freight on rivers	17	0.90	19⅛	4.7
Mississippi Valley Public Service Co. Operating electric utility	25	1.40	28½	4.9
Missouri-Kansas Pipe Line Holding company	19	3.60	94	3.8
Missouri Utilities Electricity and natural gas	17	1.36	26	5.2
Mobile Gas Service Corp. Operating public utility	14	1.10	27½	4.0
Mohawk Petroleum Corp. Oil production	14	0.80	29	2.8
Mohawk Rubber Co. Rubber mfg.: tires, tubes, camelback and repair materials	17	†1.24	60	2.1
Monarch Mills Sheetings and print cloths	25	0.75	27	2.8
Montana Flour Mills Co. Flour and feeds	19	0.60	22	2.7
Monumental Life Ins. (Balt.) Life insurance	31	†1.17	65	1.8
Moore Drop Forging Co. Light machining and drop forgings	22	0.80	15½	5.2
Moore-Handley Hardware Hardware wholesaler	12	0.525	12⅜	4.2
Morgan Engineering Co. Produces mills, cranes, etc.	12	1.40	23½	6.0
Morgan (J. P.) & Co. Inc. Merged in April 1959 with Guaranty Trust Co. of N. Y. to form Morgan Guaranty Trust Co. Stockholders received 4 2/5 shares for each share held.				
Morgan Guaranty Trust Co.	a67	rr4.00	102⅜	3.9
Morris Plan Co. of California Industrial loan company	34	†1.99	42¼	4.7
MORRISON-KNUDSEN CO., INC. General contractors, heavy construction • See Company's advertisement on page 45.	**20**	**1.80**	**37¼**	**4.8**
Mosinee Paper Mills Co. Sulphate pulp and paper	19	1.40	35	4.0
Motor Finance Corp. Auto financing and insurance	34	4.00	91	4.4
Murray Co. of Texas Cottonseed oil	14	1.60	33	4.8
Mystic Valley Gas Co. Natural gas distributor	64	2.35	37	6.4

* Details not complete as to possible longer record.
a Including predecessors.
† Adjusted for stock dividends, splits, etc.
p Plus a 25% stock dividend paid on Nov. 20, 1958. Dividend payment is now 25c quarterly.
rr 80c quarterly and 80c extra paid before merger by Guaranty Trust Co. of N. Y. Initial quarterly payment by Morgan Guaranty of 80c paid July 15, 1959.

The Over-the-Counter Market Biggest and Broadest – and Still Expanding

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
Nalco Chemical Co.	31	1.35	60	2.3
Formerly known as National Aluminate Corp. New name adopted in April 1959. Water and petroleum treatments and industrial chemicals				
National American Bank of New Orleans	33	16.00	440	3.6
National Bank of Commerce of Houston	37	3.00	120	2.5
National Bank of Commerce in Memphis	20	2.00	51	3.9
National Bank of Commerce in New Orleans	25	1.10	32¾	3.4
National Bank of Commerce of Norfolk	70	2.00	52	3.9
National Bank of Commerce of San Antonio	57	1.60	54½	2.9
National Bank of Detroit	26	†1.86	55	3.4
National Bank of Toledo (Ohio)	19	†1.38	43	3.2
National Bank of Tulsa	15	†0.96	44	2.2
National Bank of Washington (Tacoma)	53	2.00	49½	4.0
National By-Products, Inc. Animal products	22	0.40	7½	5.3
National Casualty Co. Accident, health, casualty insur.	26	1.90	51	3.7
Natl. City Bank of Cleveland	23	†2.24	82½	2.7
National Commercial Bank & Trust Co. (Albany, N. Y.)	104	1.10	32	3.4
Natl. Fire Ins. Co. of Hartf'd Diversified insurance	89	1.60	123	1.3
National Food Products Corp. Holding company; chain food stores	19	†1.14	22½	5.1
National Life & Accident Insurance Co. (Nashville) Life, accident and health	56	0.60	111½	0.5
National Lock Co. Mortise locks	18	0.30	25	1.2
National Newark & Essex Banking Co. (Newark)	154	3.00	62	4.8
National Oats Co. Cereals, animal feeds	33	0.60	16½	3.6
National Reserve Life Insurance Co. Participating & non-participating	16	0.60	185	0.3
National Screw & Mfg. Co. Screws, bolts and nuts	69	2.50	51	4.9
Natl. Shawmut Bk. (Boston)	*62	q2.20	47¾	4.6
National Shirt Shops of Del. Chain, men's furnishings	20	0.80	14¼	5.6
National State Bk. (Newark)	147	†2.26	54½	4.1

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
q The dividend rate has been raised to $2.40 annually.

Continued on page 36

The French Position on European Economic Integration

Continued from page 34

equal treatment with Commonwealth products.

However while this opposition of principle remains, the necessity of finding a practical compromise is fully recognized by France. One of the solutions suggested is to negotiate bilateral agreements in order to safeguard legitimate interests of countries whose exports might be jeopardized by establishment of EEC. Such an agreement, under which additional quotas have been granted by both parties, has been quite recently signed by the U. K. and France.

The eventual compromise solution, considered not only desirable but essential by the six EEC countries, as well as by the 11 other OEEC members, might be obtained by generalization of such agreements, either strictly bilateral or with EEC as a group. Another alternative might be a more general agreement in the framework of the OEEC for which new proposals are being prepared by the EEC Commission. It should, moreover, be pointed out that in spite of her protectionist background, France is not in principle opposed to any further liberalization of trade barriers of the EEC, provided concessions are not unilateral.

A Possible Solution

However it might be that Franco-British disagreement on European economic integration could be settled on the lines of the proposal made by the great British economic journal "The Economist." In its issue of April 4, it drew attention, to the discussions held in Palmerston, New Zealand at the Commonwealth Conference of the Royal Institute of International Affairs, where a new joint Commonwealth approach to the EEC was urged, in order to obtain non-discrimination against British exports and opening of European markets to Commonwealth products. As a counterpart to these concessions, abandonment of Imperial preference by Britain or participation in one way or another of the EEC countries in its advantages was suggested. Pointing out that the importance of the imperial preference system for U.K. is anyhow decreasing and that it is unlikely to retain from any significant benefits after 12-15 years, a period equal to the transition phase of EEC, the "Economist" concluded that Britain's entry into the Common Market, on conditions to be negotiated and with possibly some reservations, similar to those included in the Rome Treaty for East Germany, might provide the best solution of the problem.

I do believe the French public opinion would agree with this view.

La Jolla Office

LA JOLLA, Calif. — Hayden, Stone & Co. has opened a branch office at 1101 Wall Street, under the management of Harry N. Purdy and George A. Murray.

Hayden, Stone Open in LA

LOS ANGELES, Calif. — Hayden, Stone & Co. has opened a branch office at 5657 Wilshire Boulevard under the mangement of Harry W. Wayne.

Form Financial Planning

MIDLAND, Texas — Walter L. Schneider is engaging in a securities business from offices at 316 West Indiana under the firm name of Financial Planning Service.

Boston Edison Co. Rights Being Offered

Boston Edison Co. is issuing to its common stockholders transferable warrants giving stockholders of record on the company's books at the close of business on Sept. 25, 1959, the right to subscribe for 271,553 shares of common stock, at the rate of one share for each ten shares of such stock held, at $56.75 per share. The offering is being underwritten by the First Boston Corp. and Associates. Stockholders will also receive an additional subscription privilege entitling them to subscribe for any number of additional shares not subscribed for, subject to allotment. No fractional shares will be issued. Subscription rights will expire at 3:30 p.m., Eastern Daylight Saving Time, on Oct. 13, 1959.

The net proceeds from the sale of the new common stock will be applied to the payment or reduction of short-term bank debt (evidencing borrowings made for prior construction).

Boston Edison Co. is an operating utility engaged in the electric and steam business. It was incorporated in 1886 under the laws of the Commonwealth of Massachusetts. Its principal executive office is located at 182 Tremont St., Boston 12, Mass.

Paine, Webber Names Mount & Bowman

SAN FRANCISCO, Calif.—Robert G. Mount has been appointed manager of institutional sales and Richard P. Bowman has been made a registered representative at the San Francisco office of Paine, Webber, Jackson & Curtis, 369 Pine Street, it was announced recently by Resident Manager Louis Nicoud, Jr.

Mr. Mount formerly was associated with Kidder, Peabody & Co. in the San Francisco and Chicago offices. Before joining Kidder, Peabody he was in the investment research department of the Northern Trust Co., Chicago.

Mr. Bowman joined Paine, Webber in Los Angeles earlier this year. He formerly managed the Southern California and Arizona offices of an eastern hardware manufacturer.

Barbee & Co. Formed

HOUSTON, Texas — Robert L. Barbee is engaging in a securities business from offices at 8702 Tewantin Drive under the firm name of Barbee & Co.

Forms Everson Inv. Co.

NEW KNOXVILLE, Ohio—Myron H. Everson is conducting a securities business from offices on Botkins Road under the firm name of Everson Investment Co.

The Over-the-Counter Market Biggest and Broadest – and Still Expanding

Continued from page 35

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
National Tank Co. Manufactures and sells oil field equipment	12	1.20	23¼	5.2
National Terminals Corp. Midwest storage facilities	15	1.25	20	6.3
National Union Fire Insur. Diversified insurance	25	2.00	41	4.9
Nazareth Cement Co. Pennsylvania producer	14	2.00	36	5.6
Nekoosa-Edwards Paper Class A voting stock Pulp and papers	18	0.68	22½	3.0
New Amsterdam Casualty Diversified insurance	22	1.95	48¾	4.0
New Britain Gas Light Co. Public utility, gas distribution	100	2.00	40	5.0
New Britain Machine Machine tools	23	1.60	28¾	5.6
NEW ENGLAND GAS & ELECTRIC ASSOCIATION ● See Company's advertisement on page 39. Owning investments in several operating utility companies	12	1.05	22¼	4.7
New England Lime Co. Lime products	12	1.00	35½	2.8
New Hampshire Insurance Co. Formerly known as New Hampshire Fire Insurance Co. Name changed Sept. 30, 1959. All insurance lines except life	90	2.00	44½	4.5
New Haven Gas Co. Operating public utility in Conn.	109	1.95	38½	5.1
New Haven Water Co. Operating public utility in Conn.	80	3.40	66	5.2
NEW JERSEY BANK & TRUST (CLIFTON, N. J.) ● See Bank's advertisement on page 44.	a90	1.50	32	4.7
New York Fire Insurance Co. Fire, marine, multiple peril insurance, and allied lines	26	1.50	32¼	4.7
New York Trust Co. Merged in Sept. 1959 with Chemical Corn Exchange Bank (N. Y.) to form Chemical Bank New York Trust Co. Stockholders received 1¾ shares for each share held.				
New Yorker Magazine Publishes "The New Yorker"	30	3.90	81	4.8
Newport Electric Corp. Rhode Island utility	20	1.10	23¼	4.7
Nicholson File Co. Manufactures files, rasps & saws	87	0.80	23¼	3.4
900 Michigan Ave., North, Corp. Chicago real estate	14	1.00	26	3.8
No-Sag Spring Co. Furniture and bedding springs	22	0.50	14½	3.4
Norfolk County Trust Co. (Brookline, Mass.)	22	2.10	45	4.7

a Including predecessors.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
North American Life Insurance Co. Life, accident & health	19	†0.19	17	1.1
North American Refractories Fire brick & refractory materials	12	2.00	41	4.9
North & Judd Mfg. Co. Manufacturing variety of hardware	96	1.80	36	5.0
North River Insurance Co. Diversified insurance	121	1.40	38½	3.6
North Shore Gas Co. (Ill.) Retail distributor of natural gas	16	0.975	23¾	4.1
Northeastern Ins. of Hartford Reinsurance	13	0.33	16	2.1
Northeastern Pennsylvania Natl. Bank & Trust Co.	a96	2.00	50	4.0
Northern Engineering Works Cranes and hoists	*19	0.65	10⅜	6.3
Northern Insurance (N. Y.) Diversified insurance	49	†1.45	46	3.2
Northern Life Insurance Co. Life, accident and health	47	1.70	156	1.1
Northern Ohio Telephone Co. Operating public utility	32	†1.52	42½	3.6
Northern Oklahoma Gas Co. Operating public utility	23	1.00	19	5.3
Northern Trust Co. (Chicago)	65	†9.60	545	1.8
Northwest Engineering Co., Class A Excavating machinery	23	2.25	45½	4.9
Northwestern Fire & Marine Insurance Co. Fire and casualty insurance	49	1.00	40½	2.5
Northwestern National Insurance Co. (Milwaukee) Multiple line insurance	86	2.80	113½	2.5
Northwestern National Life Insurance Co. (Minn.) Life insurance	23	1.50	100	1.5
Northwestern Public Service Electric and gas public utility	12	1.00	20⅝	4.8
Northwestern States Portland Cement Co. Mfr. and sale of Portland cement	28	†1.68	65	2.6
Noxzema Chemical Co., Cl. B Distributes "Noxzema" shaving cream and medicated cream	36	1.00	38	2.6
Noyes (Charles F.) Co. Real estate	19	6.00	58	10.0
Ohio Casualty Insurance Co. Diversified insurance	37	0.62	32½	1.9
Ohio Citizens Trust Co. (Toledo)	24	s1.60	52	3.1
Ohio Forge & Machine Corp. Gears, speed reducers, etc.	23	1.50	32	4.7
Ohio Leather Co. Tannery	28	1.25	20¼	6.2
Ohio State Life Insur. Co. Life, accident and health	*35	2.00	285	0.7
Ohio Water Service Retails treated water; wholesales untreated	23	†1.49	28¾	5.2
Oilgear Co. Hydraulic machinery	*17	1.60	35½	4.5

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.
s Plus a 9.09% stock dividend paid on Feb. 2, 1959.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
Old Ben Coal Corp. Marked coal	12	0.60	13	4.6
Old Kent Bank and Trust Co. (Grand Rapids)	23	1.50	33	4.5
Old Line Life Insurance Co. of America Life, accident and health	a47	1.00	67	1.5
Old Republic Life Insurance Company (Chicago) Life, accident and health	a23	0.80	18½	4.3
Olympia Brewing Co. Brewing	24	2.35	52½	4.5
Omaha National Bank	24	2.40	75¼	3.2
Oneida, Ltd. Manufacture sterling, silverplate and stainless tableware	23	1.00	21½	4.7
Onondaga Pottery Co. China tableware	16	1.40	30	4.7
Orange County Telephone Co. Operating public utility	51	0.80	45	1.8
Orange & Rockland Utilities, Inc. Gas and electric company	51	0.90	23⅛	3.9
Orpheum Building Co. San Francisco office-theatre bldg.	21	0.30	5	6.0
Osborn Manufacturing Co. Manufacturers of industrial brushes and foundry machinery	35	1.00	29	3.4
Oshkosh B'Gosh Complete line of work clothing and matched sets	24	1.75	28	6.3
Otter Tail Power Co. Generating and distributing electrical energy	21	1.60	32	5.0
Pacific Car & Foundry Co. Makes railway cars	16	1.00	37	2.7
Pacific Employers Insurance Co. Multiple line insurance	24	0.90	21½	4.2
Pacific Insurance Co. of New York Multiple line insurance	54	2.40	56	4.3
Pacific Intermountain Express Co. Motor freight; Western States	12	0.80	15½	5.2
Pacific Lumber Co. Planning mill products	23	10.00	295	3.4
Pacific National Bank of Seattle	31	†0.95	32½	2.9
Pacific Power & Light Co. Public utility (predominantly electric)	12	1.60	38½	4.2
Pacific Vegetable Oil Corp. Foreign trade manufactures vegetable oil and oilseeds	17	1.00	22	4.5
Package Machinery Automatic wrapping machines	42	1.00	18½	5.4
Packaging Corp. of America Above company is new, result of merger between American Box Board and Central Fibre Products.	a26	t1.00	31¾	3.1
Pacolet Manufacturing Co. Textile manufacturing	23	6.00	150	4.0
Panama Coca-Cola Bottling Beverage bottling	*30	0.50	8¾	5.7
Paragon Electric Co. Automatic time controls	10	†0.59	22¼	2.7
Paterson Parchm't Paper Co. Vegetable parchment, waxed and custom made papers	68	0.53	17¼	3.1
Pearl Brewing Co. Beer producers	20	1.30	19½	6.7
Peden Iron & Steel Co. Hardware	22	1.00	31	3.2
Peerless Insurance Co. Diversified insurance	45	1.00	24	4.2
Pemco Corp. Porcelain, enamel and ceramic frits and colors	*15	†1.70	31	5.5
Pendleton Tool Industries, Inc. Mechanics hand tools	20	0.925	19⅛	4.8
Penn Controls, Inc. Manufactures automatic electric controls	10	1.20	24¼	4.9
Pennsylvania Engin'g Corp. Steel mills; oil refineries; chemical plants	12	1.20	25	4.8
Pennsylvania Gas Co. Operating public utility in Pennsylvania and New York	80	1.20	26	4.6
Penobscot Chemical Fibre Co. Voting Mfr. bleached soda and sulphite woodpulp	12	†1.27	50	2.5
Penton Publishing Co. Business and technical journals	10	1.05	20	5.3
Peoples First National Bank & Trust Co. (Pgh.) Merged with Fidelity Trust Co. (Pgh.) to form Pittsburgh National Bank. Stock was exchanged share for share.				
Peoples National Bank of Washington (Seattle)	31	†1.25	71	1.8
Peoples Telephone Corp. (Pa.) Telephone utilities	33	4.00	93	4.3
Pepsi-Cola General Bottlers, Inc. Soft drinks	12	†0.59	14⅜	4.1
Perfex Corp. Manufacturer of heat transfer products	10	1.00	14½	6.9
Perkins Machine & Gear Co. Precision gears	18	1.00	13½	7.4
Permanente Cement Co. Cement and gypsum products manufacturer	13	0.62	25¾	2.4

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.
t Paid an initial quarterly dividend of 25c on September 11, 1959. Approximate value and yield is shown.

The Over-the-Counter Market Biggest and Broadest – and Still Expanding

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
Personal Industrial Bankers, Inc. Consumer finance	19	0.12	2½	4.8
Peter Paul Inc. Popular candies	37	2.00	40¾	4.9
Petrolane Gas Service, Inc. Liquefied petroleum gas	23	1.00	27½	3.6
Petroleum Exploration Producing crude petroleum and natural gas	42	3.25	60	5.4
Petrolite Corp. Chemical compounds	28	3.25	129	2.5
Pettibone Mulliken Railroad track equipment, forging and machinery	17	0.80	34½	2.3
Pfaudler-Permutit Co. Water conditioning and corrosion resistant equipment	a22	1.40	35¼	4.0
Pheoll Manufacturing Co. Name changed to Voi-Shan Industries, Inc. in April, 1959.				
Philadelphia Bourse Exhibition and office building	23	1.50	48	3.1
Philadelphia National Bank	115	1.90	41	4.6
Philadelphia Suburban Transportation Co. Transportation of persons by street railway and motor bus	19	0.80	24½	3.3
Philadelphia Suburban Water Operating public utility	*19	†0.49	50¼	1.0

Over-The-Counter Consecutive Cash Dividend Payers From 5 to 10 Years Appear in the Second Table Starting on Page 42.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
Phoenix Insur. (Hartford) Insurance carrier (except life)	86	3.00	74¼	4.0
Pickering Lumber Corp. California, Louisiana and Texas holdings	11	0.35	11	3.2
Pictorial Paper Package Corp. Paper boxes	23	0.60	11¼	5.3
Piedmont & Northern Ry. Rail transportation.	30	7.00	118	5.9
Pioneer Finance Co. Financing company	21	0.475	11⅛	4.3
Pioneer Trust & Savings Bank (Chicago)	35	†1.80	60	3.0
Pittsburgh Fairfax Corp. Owning and operating apartment building	17	2.00	57	3.5
Pittsburgh National Bank Formed in September 1959. Merger of Fidelity Trust Co. (Pgh.) and Peoples First National Bank & Trust Co. (Pgh.)	a92	2.65	64½	4.1
Plainfield-Union Water Co. Water utility	64	3.00	65	4.6
Planters Nut & Chocolate Peanut products	47	2.50	63	4.0
Plymouth Cordage Co. Manufacture of rope, harvest twines, twisted paper products	101	2.60	46	5.7
Pope & Talbot, Inc. Intercoastal steamship service and West Coast lumber mills	19	1.00	34	2.9
Port Huron Sulphite & Paper Lightweight papers	20	†0.92	36	2.6

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
Porter (H. K.) Co. Inc. (Del.) Manufactures electrical equipment, industrial rubber products, steel and tool steel, copper and alloy metals, refractories, saws and tools, fittings, wire rope and related products	15	†0.99	65	1.5
Porter (H. K.), Inc. (Mass.) Mechanics' hand tools, bolt cutters, body and fender repair tools & equipment and hydraulic power tools	*21	0.40	9½	4.2
Portland Gas Light Co. Public utility (mfrs. gas)	16	0.75	21	3.6
Portland General Electric Electric utility	13	1.20	26¾	4.5
Portsmouth Corp. Formerly Portsmouth Steel Corp. New name adopted in April 1959. Owns substantial interests in Cleveland-Cliffs Iron Co., Detroit Steel Corp., and companies in related fields	12	0.60	22⅜	2.7
Potash Co. of America Mining & refining, sale of potash	22	†1.79	37	4.8
Pratt, Read & Co. Piano and organ keyboards, piano actions, piano hardware, small tools, aircraft woodwork	14	1.20	20	6.0
Princeton Water Co. Operating public utility	51	4.00	80	5.0
Produce Terminal Cold Storage Co. (Chicago) Public cold storage warehouse	11	1.00	14	7.1
Progress Laundry Co. Laundry and dry cleaning	24	1.40	17⅝	7.9
Providence Washington Ins. Multiple line insurance	53	0.45	20	2.3
Provident Bank (Cinc.)	56	1.85	44¾	4.1
Provident Tradesmens Bank & Trust Co. (Phila.)	94	2.44	54	4.5
Public Service Co. of N. H. Electric public utility	22	1.00	18¼	5.5
Public Service Co. (N. Mex.) Public utility	13	0.825	27⅝	3.0
Publication Corp. vot. Owns rotogravure printing plants	23	2.50	40	6.3
Punta Alegre Sugar Corp. Cuban holding company	14	2.50	10¾	23.3
Purex Corp. Manufacturer of household cleaners and detergents	23	†0.57	27¼	2.1
Purity Stores, Ltd. California food chain	*11	0.40	17½	2.3
Purolator Products, Inc. Filters oil, gas and air	18	†1.51	38¾	3.9
Quaker City Insurance Co. Diversified insurance	10	0.65	12	5.4
Quaker City Life Insurance Co. (Pa.) Life, accident & health	*13	†1.43	50½	2.8
Queen Anne Candy Co. Packaged, bar and bulk candy	10	0.10	4¼	2.4
Quincy Market Cold Storage Boston operation	17	2.00	41	4.9
Ralston Purina Animal feeds, breakfast foods	25	1.15	48¼	2.4
Red Owl Stores, Inc. Retail & wholesale grocery chain	26	1.55	48½	3.2
Reece Corp. (Mass.) Makes button hole machines	77	1.10	20¾	5.3
Reed (C. A.) Co., class B Crepe paper	13	1.50	25	6.0
Reinsurance Corp. of N. Y. Writes only reinsurance	22	0.50	21½	2.3
Reliance Varnish Co. Paints, varnishes and enamels	15	0.75	16½	4.5

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
Republic Insurance (Dallas) Fire and casualty insurance	53	v1.54	73	2.1
Republic National Bank of Dallas	39	†1.84	83½	2.2
Republic National Life Insurance Co. (Dallas)	13	0.20	70	0.3
Republic Natural Gas Producers of crude oil and natural gas	23	0.60	28¾	2.1
Republic Supply Co. of California Suppliers and distributors of oil-well and industrial supplies	36	1.00	18¼	5.5
Revere Racing Assn. Dog racing, near Boston	17	0.60	7½	8.0
Rhode Island Hospital Trust	90	4.30	99	4.3
Richardson Co. Manufacturers of rubber and plastic industrial products	27	0.40	16½	2.4
Rich's, Inc. Operates Atlanta department store	30	0.80	21¼	3.8
Riegel Textile Corp. Wide line textile products	21	0.60	17½	3.4
Rieke Metal Products Corp. Closures for steel drums and pails	26	†0.96	19	5.1
Riley Stoker Corp. Power steam generators	20	1.50	43¼	3.5
Risdon Manufacturing Co. Small metal stampings	42	4.00	74	5.4
River Brand Rice Mills Inc. Leading rice miller and packager	a26	1.20	22¼	5.4
Roanoke Gas Co. Distributes natural gas	15	0.90	19½	4.6
Robertson (H. H.) Co. Manufacturers of construction materials	23	†3.34	65	5.1
Rochester Button Co. Buttons	22	1.00	12½	8.0
Rock of Ages Corp. Granite quarrying and mfg. of granite cemetery monuments, markers, etc.	19	1.00	17¼	5.8
Rockland-Atlas Natl. Bank of Boston	95	1.85	45½	4.1
Rockwell Manufacturing Co. Meters, valves and regulators, and power tools	20	†1.48	36¼	4.1
Roddis Plywood Corp. Manufacture and distribution of plywood doors and lumber	15	†0.65	14⅜	4.5
Rose's 5, 10 & 25c Stores, Inc. Operates 145 stores in the South	32	1.20	24	5.0
Ross Gear & Tool Co. Inc. Manufacturers of steering gears	31	1.60	37½	4.3
Rothmoor Corp. Women's coats and suits	11	0.40	4⅝	8.6
Royal Dutch Petroleum (NY) Affiliated with producers of many nations	14	2.20	71	3.1
Royalties Management Corp. Oil and gas royalty interests	16	0.25	4¾	5.3
Sabine Royalty Corp. Oil & gas royalties	14	2.00	40	5.0
Safety Industries, Inc. Industrial scales, processing equipment and controls	28	0.60	25	2.4
Safway Steel Products, Inc. Manufactures steel scaffolding, grand stands and bleachers	23	1.00	18¾	5.3
Sagamore Mfg. Co. Sateens, broadcloths, twills	23	1.00	70	1.4
St. Croix Paper Co. Maine producers	39	1.25	35¼	3.5
St. Joseph Stock Yards Co. Livestock	60	7.00	56½	12.4

† Adjusted for stock dividends, splits, etc.
a Including predecessors.
v Plus a 7.69% stock dividend paid on Feb. 28, 1959.

Continued on page 38

The Over-the-Counter Market Biggest and Broadest – and Still Expanding

Continued from page 37

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
St. Paul Fire & Marine Insur. Fire and casualty insurance	87	1.20	57½	2.1
St. Paul Union Stockyards Minnesota operator	43	0.50	18¼	2.7
San Antonio Corp. Church and school furniture	15	0.60	12½	4.8
San Jose Water Works Public utility (water company)	28	†1.25	30½	4.1
San Miguel Brewery, Inc. (Philippines) Beer and dairy products	*11	1.35	10½	12.9
Sanborn Map Co. Fire insurance & real estate maps	82	2.55	53½	4.8
Sargent & Co. Hardware, locks and tools.	16	1.00	21½	4.7
Savannah Sugar Refining Georgia operator	35	†1.375	35½	3.9
Schenectady Trust Co. (N.Y.)	57	2.00	60	3.3
Schlage Lock Co. Locks and builders' hardware	19	†0.98	46½	2.1
Schuster (Ed.) & Co. Inc. Three Milwaukee dept. stores	*17	1.00	18½	5.4
Scott & Fetzer Co. Vacuum cleaner manufacturer	17	†1.55	46	3.4
Scott & Williams, Inc. Builds knitting machinery	43	1.95	38¼	5.1
Scruggs-Vandervoort-Barney Department stores; St. Louis, Kansas City, Denver	19	0.60	13¼	4.5
Seaboard Surety Co. Diversified insurance	24	†2.08	80	2.6
Searle (G. D.) & Co. Pharmaceuticals	24	1.20	55¼	2.2
Sears Bank & Trust Co. (Chicago)	19	2.40	74	3.2
Seatrain Lines Inc. Transports freight cars by ships	*18	0.25	6⅝	3.8
Second Bank-State St. Tr. Co.	40	3.45	86½	4.0
Second National Bank of Saginaw	78	†2.34	75	3.1
Securities Acceptance Corp. Instalment financing and personal loans	25	0.40	11½	3.4
Security First National Bank (Los Angeles)	78	1.60	58¾	2.7
Security Insurance Co. of New Haven	65	†0.64	39½	1.6
Security National Bank of Greensboro (N. C.)	23	1.00	31	3.2
Security Title Insurance Co. Title insurance	11	1.20	39	3.1
Security Trust Co. of Rochester	66	2.05	53	3.9
Seismograph Service Corp. Geophysical exploration oilwell wire-line services and mfg. of electronics products	25	0.40	14	2.9
Selected Risks Insurance Co. Diversified insurance Formerly Selected Risks Indemnity Co. to Dec. 1957.	30	w1.20	35	3.4
Seven-Up Bottling Co. (St. Louis) Bottler of carbonated beverages	31	0.60	10	6.0
Shakespeare Co. Fishing reels, rods and lines	21	†1.74	31½	5.5
Shaler Co. Vulcanizers	23	1.00	13½	7.4
Shepard Niles Crane & Hoist Electric cranes and hoists	24	1.50	23¾	6.3
Sherer-Gillett Co. Manufacturer commercial refrigeration	13	0.15	2½	6.0
Sick's Rainier Brewing Co. "Rainier" and "Brew 66" beer	22	0.23	4½	5.1
Sierra Pacific Power Co. Operating public utility	33	1.40	32	4.4
Sioux City Stock Yards Iowa livestock market	55	2.00	31½	6.3
Sivyer Steel Casting Co. Castings	23	1.50	30	5.0
Skil Corporation Portable tools	24	1.55	35½	4.4

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
w Plus a 11½% stock dividend paid on April 6, 1959.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
Smith-Alsop Paint & Varnish Co. Paints and varnishes	11	1.55	21	7.4
Smith Engineering Works Mining machinery	12	2.00	60	3.3
Smith (J. Hungerford) Co. Manufacturer of soda fountain & ice cream fruits and flavors	36	2.60	39½	6.6
Snap-On Tools Corp. Manufacture and distribution of mechanics' hand service tools and related items	21	1.50	40	3.8
Sonoco Products Co. Paper and paper products	34	1.00	27	3.7
South Atlantic Gas Co. Operating public utility	14	0.80	15	5.3
South Carolina National Bk. (Charleston)	23	†1.50	35	4.3
South Texas Development Co. Class B Oil royalties	26	4.00	75	5.3
Southdown, Inc. Formerly Southdown Sugars, Inc. New name adopted in May 1959. Operates Louisiana sugar plantation.	11	60	38½	1.6
Southeastern Public Service Natural gas supplier	11	0.80	13⅜	6.0
Southeastern Telephone Co. Operating public utility	19	0.90	20¼	4.4
Southern Bakeries Co. Southeastern baker	23	†0.20	10½	1.9
Southern California Water Co. Operating public utility	30	0.90	20	4.5
Southern Colorado Power Electricity supplier	15	0.875	18¾	4.7
Southern Fire & Casualty Co. (Knoxville, Tenn.) Fire and Casualty insurance	18	0.08	4½	1.8
So. New England Tel. Co. Communications services	68	2.00	44	4.5
Southern Oxygen Co. Compressed gases	22	0.60	13½	4.4
Southern Union Gas Co. Natural gas production and distribution	16	1.12	25⅜	4.4
Southland Life Insurance Co. Life, health and accident insurance	24	†1.31	98	1.3
Southwest Natural Gas Co. Southern natural gas supplier	12	0.30	6¼	4.8
Southwestern Drug Corp. Wholesale drugs	17	x2.00	46	4.3
SOUTHWESTERN ELEC. SERVICE ● See Company's advertisement on page 26. Electricity supplier	**14**	**†0.64**	**17**	**3.8**
Southwestern Investment Co. Sales, financing and personal loans	23	†0.52	15¾	3.3
Southwestern Life Insurance Co. (Dallas) Non-participating life	49	1.80	143	1.3
Southwestern States Tel. Co. Operating public utility	13	1.20	24¾	4.8
Spartan Mills Cloths and sheetings	60	1.30	32½	4.0
Speer Carbon Co. Carbon, graphite and electronic products	26	pp1.00	45	2.2
Spindale Mills, Inc. Yarn shirtings and dress goods	14	1.00	17	5.9
Sprague Electric Co. Electronic components	19	1.20	50½	2.4
Springfield F. & M. Ins. Co. Multiple line insurance	92	z1.00	30	3.3
Springfield Gas Light Co. Distribution of natural gas	107	2.80	56½	5.0
Staley (A. E.) Mfg. Co. Processes corn and soy beans	25	†1.33	38	3.5
Stamford Water Co. Operating public utility	63	1.80	33	5.5
Standard Accident Insurance Co. (Detroit) Casualty, bonding and fire and marine insurance	19	2.00	56¾	3.5
Standard-Coosa Thatcher Co. Cotton spinning, dyeing and bleaching	38	0.80	12	6.7

† Adjusted for stock dividends, splits, etc.
x Stock was split three-for-one on July 28, 1959. The new dividend rate is 19c per quarter, and the current market price is 19½ bid, 21 asked.
pp Stock was split two-for-one on July 17, 1959. Figures shown are for old stock outstanding.
z Plus 1/10 share $6.50 pfd. stock for each share held.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
Standard Fire Insurance Co. of New Jersey Diversified insurance	90	2.75	58	4.7
Standard Screw Co. Screws and screw machine products	54	2.80	66	4.2
Stange (Wm. J.) Co. Food colorings and seasonings	13	0.80	16½	4.8
Stanley Home Products, Inc. (Non-voting) Manufactures and sells brushes, waxes, polishers, and personal toiletries	16	2.25	40	5.6
Stanley Works Hardware for building trades, etc.	83	2.20	45	4.9
State Bank of Albany	156	†1.73	47	3.7
State Loan & Finance Corp. Class A Loans and finance business	29	†0.99	23¾	4.2
State National Bank of El Paso	78	6.00	300	2.0
State Planters Bank of Commerce & Trs. (Richmond, Va.)	*37	2.50	70	3.6
Stecher-Traung Lithograph Corp. Labels, packets and boxes	20	1.80	25½	7.1
Stern & Stern Textiles, Inc. Silk, rayon and nylon fabrics	13	0.60	9¾	6.2
Stonecutter Mills Corp., Cl. B Dies and fabrics	17	0.20	5⅝	3.6
Stonega Coke & Coal Co. Coal and lumber	19	0.85	15	5.7
Stouffer Corp. Restaurant chain	23	†0.38	30	1.3
Strathmore Paper Co. Manufactures fine printing papers, artists' papers and technical papers	17	1.25	30	4.2
Stratton & Terstegge Co. Wholesale hardware	26	1.25	22	5.7
Strawbridge & Clothier Large Philadelphia department store	12	1.00	19⅞	5.0
Struthers Wells Corp. Fabricated metal products; chemical and refinery equipment	15	1.30	20½	6.3
Stuart (The) Co. Pharmaceutical manufacturer and distributor	11	0.64	35	1.8
Stubnitz Greene Corp. Cushion and back spring assys. polyurthane foams, refrigerator shelves and condensers, thermo-electronic relay	10	0.50	11⅛	4.5
Stuyvesant Insurance Co. Auto, fire, casualty and marine insurance	11	aa0.26	28	0.9
Suburban Gas Service, Inc. Petroleum gases	10	1.03	29¼	3.5
Suburban Propane Gas Corp. Distribution of liquefied petroleum gas and sale of appliances	13	1.00	17¾	5.6
Sun Life Assurance Life. Also large annuity business	22	5.00	340	1.5
Super Valu Stores, Inc. Wholesale food distributor	23	†0.80	37½	2.1
Swan Rubber Co. Manufactures hose (rubber and plastic) small tires	24	0.80	19	4.2
Syracuse Transit Corp. Local bus operator	17	2.00	19	10.5
Tampax, Inc. Miscellaneous cotton products	16	2.20	85½	2.6
Tappan (The) Co. Gas ranges	*24	†1.375	36¼	3.8
Taylor-Colquitt Co. Railroad ties and poles	32	1.00	18	5.6
Taylor & Fenn Co. Grey iron alloy castings	53	0.80	11	7.3
Taylor Instrument Cos. Mfr. of scientific instruments	52	1.20	35	3.4
Tecumseh Products Co. Refrigeration compressors, small engines, etc.	20	2.50	96	2.6
Tejon Ranch Co. California land holdings	10	0.60	33	1.8
Telephone Service Co. of Ohio, Class B Holding co.	17	bb1.55	150	1.0

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
aa Plus 17/80 of a share of Stuyvesant Life Insurance Co. for each share held.
bb Plus 4% payable in class A stock.

The Over-the-Counter Market Biggest and Broadest – and Still Expanding

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 a	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
Television-Electronics Fund, Inc. — Open-end mutual investment co.	11	0.78	16¼	4.8
Tenn., Ala. & Georgia Ry. Co. — Railroad common carrier	21	1.00	21	4.8
Terre Haute Malleable & Manufacturing Corp. — Iron castings	23	0.60	11	5.5
Terry Steam Turbine Co. — Turbines and reduction gears	*51	†2.50	45	5.6
Texas Natl. Bank (Houston)	47	2.50	72	3.5
Textiles, Inc. — Makes cotton yarn	18	0.60	13½	4.4
Thalhimer Brothers, Inc. — Richmond department store	21	0.60	11¼	5.3
Third Natl. Bank in Nashville	30	†9.43	365	2.6
Third National Bank & Trust Co. (Dayton, Ohio)	97	†0.92	34	2.7
Third National Bank & Trust Co. of Springfield (Mass.)	95	2.20	46	4.8
Thomaston Mills — Wide range of cotton products	*18	1.25	21	6.0
Thompson (H. I.) Fiber Glass — Fiber glass, fabricators Hi Temp insulation, fiberglass reinforced plastic parts	12	†0.45	54	0.8
Thomson Electric Welder Co. — Electric welding machines	13	1.25	20	6.3
300 Adams Building, Inc. — Chicago office building	24	2.50	47	5.3
Thrifty Drug Stores — California drug store chain	22	†0.575	27⅛	2.1
Time Finance Co. (Ky.) — Consumer finance—personal loans	24	tt0.40	23	1.7
Time, Inc. — Publishers of "Life," "Time," "Fortune" & "Sports Illustrated"	30	3.25	65¾	4.9
Timely Clothes, Inc. — Men's suits, coats, etc.	18	0.50	13¼	3.8
Tinnerman Products, Inc. — "Speed Nuts"	*13	1.80	38	4.7
Title Insurance Company of Minnesota — Title Insurance	a51	2.40	61	3.9
Title Insurance & Trust Co. (Los Angeles) — Insuring title to real estate	65	†1.33	41¾	3.2
Tobin Packing Co. — Meat packer	17	0.90	17	5.3
Tokheim Corp. — Gasoline pumps	40	1.20	22¼	5.4
Toledo Trust Co.	25	†2.75	107	2.6
Toro Manufacturing Corp. — Power lawn mowers and stationary power tools	13	1.20	24	5.0
Torrington Mfg. Co. — Manufactures machinery, blower wheels and fan blades	24	1.00	18	5.6
Towle Mfg. Co. — Sterling silver tableware	42	2.00	31½	6.3
Towmotor Corp. — Fork-lift truck	14	1.40	30¾	4.6
Travelers Ins. Co. (Hartford) — Life, accident, health	93	1.20	82½	1.5
Trico Products Corp. — Manufacturers of automotive equipment	31	2.625	58	4.5
Trinity Universal Insurance Company — Diversified insurance	22	1.00	41½	2.4
Troxel Manufacturing Co. — Bicycle saddles	16	0.35	8	4.4
Trust Co. of Georgia	25	†2.45	94	2.6
Tucson Gas, Electric Light and Power Co. — Electric and gas utility	41	†0.745	28⅛	2.6

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
a Including predecessors.
tt Plus 25% stock dividend paid on Jan. 15, 1959.

Continued on page 40

Today's Stock Market and The Medium-Long Term

Continued from page 3

and the Western World. In other words, the level of the market, or even of individual issues within the market, is not the product of any one factor (which is what most shareholders actually or potentially forget or like to ignore) but of a considerable number of interrelated factors.

Basically, of course, the market is determined by the economy of the nation, actual and potential. But this is largely on a medium and longer term basis. One can, and does get, wide swings in the market even while the economy continues in a single direction. The economic facts, as I see them, are dealt with to a considerable degree by my firm's September's "Business and Financial Review." In short, we now appear to have moved from the recovery phase of the economic cycle into what might be called the expansionary phase. If we want to be more blunt, it can also be called the boom period, but this word has frightening connotations so the more refined economist (a class in which I obviously do not belong) tends to avoid it.

On the National Archives building in Washington there is a famous quotation of Shakespeare: "The Past is Prologue." Nothing is more apt in attempting economic or business forecasts. We move forward out of what has gone behind. History for its own sake can be interesting as an educational exercise. History, as a springboard for future operations, is essential. This is a question of emphasis and point of view.

Reviews Recent Past

Let us briefly review what has transpired over the past year. Following the 1957-58 collapse, and it was the sharpest of the post-war period, we have witnessed one of the most impressive recoveries. From the low point in industrial activity, which was reached in April of 1958, business activity increased steadily each month until by March of this year we had made up all of the preceding decline and were in new high ground. Not only was the recovery the sharpest in the post-war period (a rise of 19% in industrial production), but the transition from decline to recovery was the fastest. We stayed at the bottom for only one month—whereas, in 1954 we kicked around down there for eight months.

This sharp and relatively prompt recovery had its counterpart in the action of the stock market. From a low point, January a year ago, the market, with only relatively minor corrections, began to move steadily upward. Part of the improvement was in anticipation of, and part in line with, the betterment in business. Part of the gain, however, must be attributed to the speed and soundness of the business recovery which let the professional and amateur investor feel that considerably greater betterment in business, than we had seen before, could be anticipated.

At this point let us acknowledge that some anticipatory stocking up of steel, and to a more minor degree, non-ferrous metals, in anticipation of the labor difficulties we are now experiencing, helped to accelerate this recovery. Even if we wash this temporary factor out of the picture, the business gain on an over-all basis was most impressive. Furthermore, as in any recovery period, the earnings improvement as witnessed by business, particularly those which had been most depressed, was highly significant. This is, of course, of major consequence in affecting the stock market. For the long run, it is earnings and their subsequent or prospective dividends which control stock prices, not glamour. Corporate profits after taxes, which is the only way you and I have any use of them, hit a low point of $16.3 billion on an annual rate in the first quarter of 1958. This was down some $8.6 billion, or 35%, from the high of $24.9 billion in the fourth quarter of 1955. The recovery has been most dramatic. By the first quarter of this year we had come back to earnings of $23.8 billion, or a gain of $7.5 billion, or 46% in one year, and probably well over $24 billion in the second quarter when the figures are released.

Furthermore, this improvement was only beginning to make use of the expanded capacity planned and built during the 1956-1957 period when expenditures for plant and equipment reached new peaks approximating $72 billion in the two years. Here again the stock market was giving evaluation in its prices of not only the recovery under way, but the potential that had been set forth in the preceding years.

In this earnings recovery we were aided by a set of circumstances which can be witnessed in each similar period, but because of the rapidity of the turnaround, made a more striking impression. This is the lag in expenses as business turns around. You all know this phenomenon. Business turns sour and we put the brakes on expenses, some wisely — some not so wisely. When the improvement occurs we are watching our pennies and hence profits improve rapidly. Then we get more use to prosperity, or too busy, or just too lazy, and we allow expenses to creep up again and margins begin to narrow.

This latter phase is probably taking place now, but more important economic factors are anticipating it. Having come back to the previous high point in industrial recovery in March, we moved into new high ground from April through June, reaching a peak of 155 on the Federal Reserve Board's Index of Industrial Production. Part of this new high must be attributed to the anticipatory factors of inventory accumulation, but so can the decline we witnessed in July when the index dropped to 153 and the further decline which took place last month.

Near Term Market Outlook

In the expansionary phase we are dealing with new factors. In the first place, gains, on the whole, will be less dramatic, less impressive. Secondly, the greatest benefits will be derived by a somewhat different group of companies: Translating this into investment opportunities we can come to certain specific conclusions:

(1) The sharpest part of the market rise is over. Possibly more than over.

(2) Greater selectivity will be necessary, and a shift in emphasis will be required. The glamour boys of the recovery rally may be dimmer, some have already dimmed quite a bit as you can see from what I stated earlier.

(3) The greater immediate prospects will probably lie within those industries and companies that still have adequate capacity for increased output and will have the demand for this output. Capacity itself is no criterion. There are some fields that have been bypassed, either through technological changes or sociological shifts. These fields can be exemplified by anthracite coal industries, cotton textiles, or the ice companies. On the other hand, among both the growth industries and the cyclical fields, there are situations where direct benefits should take

Continued on page 40

Today's Stock Market and The Medium-Long Term

Continued from page 39

place in the expansion period ahead. The aluminum industry is a good example. Parts of the paper field would also fall into this category, as would some of the chemical companies.

In the cyclical field, some of the steel companies and certain of the heavy industry and machine tool companies certainly appear to qualify.

Longer Term Outlook

I have dealt with the outlook for the market over the medium term, laying stress on the changes and emphasis that may be witnessed and the companies and industries that benefit. The question still remains — what has caused the market to reach the levels it has and the higher ones it may reach after the correction now taking place (whenever that it). Basically, of course, we have the economic factors. These determine the trend. The extent of the movement, however, has probably been more influenced by certain other factors which are less easily measurable. These factors are the psychological, the political and the sociological, all of which have had a major influence in creating the market we have today and determining the level of market prices over the next number of years.

These influences are not new in the market but the weight which we must give to them and their degree of influence is far more significant than in the past.

Taking the sociological first, let us remember that in the last generation, America has witnessed a quiet but tremendous social upheaval. This has been the explosive expansion of the middle class with the concomitant decline in the lower and upper bracket groups. In line with this movement, we have had a sharp expansion in average income. The figures for this are all known to you and I shall not dwell on them here. I merely wish to point out that this movement created a huge increase in savings and a vast rise in the number of potential investors without a commensurate increase in shares available. We have also had as part of the sociological change, the growth of the pension and profitsharing funds with their impact upon the prices of securities.

In the pschological phase, we have largely had the influence of that illusive and misleading word "inflation." While reality has had little connection with theory in this field, there is no question that the threat of inflation, a phrase grossly misunderstood, has had considerable influence in forcing up the price of securities. Also, among the psychological factors is the belief and the hope for future growth. This is a changing and waivering concept but it has contributed extensively in the last decade in the rise of the price of securities.

On the political front, the existence of the cold war, with its huge government expenditures and its heavy concentration in electronics and atomic fields, has had an impact on the market, both directly through the governmental expenditures and indirectly in its effect on fiscal policy. I would like to appear more optimistic but I am afraid this will be with us for a long time.

I have only attempted to briefly touch upon the factors that have made our market what it is and which will continue to influence it over the medium and longer term. As a result, although I feel this correction could carry somewhat further, basic levels of the market, whether the exact figure is 100 points lower or not, are not out of line with the present concepts of investment and the elements which shape them. Nonetheless, emphasis will still remain upon selection of the individual security.

Navco Electronic Issue Quickly Placed

Aetna Securities Corp., of New York City, on Sept. 29 offered 142,800 shares of Navco Electronic Industries, Inc. common stock at a price of $2 per share. This offering was oversubscribed and the books closed.

Net proceeds from the sale of the common shares will be used by the company to enlarge and increase its manufacturing facilities, laboratories and plant in order to engage in the manufacture and distribution of new products.

Navco Electronic Industries, Inc. was incorporated under the laws of the State of California on May 11, 1959, and acquired the assets and assumed the liabilities of National Avionics Engineering Company, and individual proprietorship owned by Eric C. Butt, now President and Chairman of the board of directors of the successor company. Navco Electronic Industries is engaged principally in the development, design, manufacture and distribution of electronic communication, navigation and flight control equipment. The company's office and plant are located in Santa Monica, Calif.

Authorized capitalization of the company consists of 750,000 shares of common stock, $1 par value per share, and upon completion of the current offering there will be outstanding 254,940 shares of common stock.

Hayden, Stone Branch

BEVERLY HILLS, Calif.—Hayden, Stone & Co. has opened a branch office at 398 South Beverly Drive, under the management of Horace M. Bear and James E. Tucker.

Branch in Sherman Oaks

SHERMAN OAKS, Cal.—Hayden, Stone & Co. has opened a branch office at 14221 Ventura Boulevard under the direction of Laurence Clark.

New Reynolds Office

Reynolds & Co., members of the New York Stock Exchange, has opened a branch office at 2 Broadway, New York City, under the management of John H. Kirvin and Charles A. Wiegard.

Phila. Secs. Assn. to Hear

PHILADELPHIA, Pa. — Robert Rod, President of Acoustica Associates, Inc., will address a luncheon meeting of the Philadelphia Securities Association on Tuesday, Oct. 13 at the Barclay Hotel.

Gordon L. Keen of R. W. Pressprich & Co. is in charge of arrangements.

Powell Adds to Staff

(Special to THE FINANCIAL CHRONICLE)

FAYETTEVILLE, N. C.—Ralph J. Bond has been added to the staff of Powell & Company, Inc., 110 Old Street.

The Over-the-Counter Market Biggest and Broadest – and Still Expanding

Continued from page 39

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
Twin City Fire Insurance Co. Diversified insurance	33	0.60	21	2.9
Twin Disc Clutch Co. Clutches and gears	25	4.00	96	4.2
220 Bagley Corp. Theatre and office building	12	1.00	35	2.9
Tyer Rubber Co. Manufacturers of rubber goods	22	0.40	14	2.9
Tyler Refrigeration Corp. Commercial refrigerators	22	0.85	14	6.1
Uarco, Inc. Business forms	25	2.60	79½	3.3
Union Bank (Los Angeles)	42	†1.55	66	2.3
Union Commerce Bank (Cleveland)	16	2.10	54	3.9
Union Gas System, Inc. Natural gas utility	12	1.52	37	4.1
Union Lumber Co. California redwood	11	1.25	54½	2.3
Union Manufacturing Co. Chucks, hoists, and castings	19	0.45	10½	4.3
Union Metal Manufacturing Co. Outdoor lighting poles and foundation piling	21	uu3.00	64	4.5
Union Natl. Bank in Pittsburgh	*34	1.60	50½	3.2
Union Natl. Bank of Youngstown, Ohio	22	2.90	77½	3.7
Union Oil and Gas Corp. of Louisiana, class A Crude oil and natural gas production	54	y0.36	37½	1.0
Union Planters National Bank of Memphis	29	1.80	52	3.5
Union Trust Co. of Maryland	20	2.00	53	3.8
United Illuminating Co. Connecticut operating utility	59	1.375	28	4.9
United Insurance Co. of America Life, accident & health	19	†0.61	37¾	1.6
United Life & Accident Insurance Co. Life, accident & health	22	4.00	400	1.0
United Printers & Publ., Inc. Greeting cards	20	0.60	20	3.0
United States Cold Storage Corp. Car-icing, ice, etc.	17	†1.00	17½	5.7
U. S. Envelope Co. Manufacturer of envelopes, paper cups and other paper products	19	0.90	26¾	3.4
U. S. Fidelity & Guaranty Co. Diversified insurance	20	2.00	83¼	2.4
U. S. Fire Insurance Co. Diversified insurance	50	1.00	29¼	3.4
U. S. Lumber Co. Holding company, land and mineral interests	*51	0.35	5⅛	6.8
U. S. Natl. Bank (Portland)	60	2.60	69¼	3.7
U. S. Radium Corp. Phosphors, industrial radiation sources, dials, panels and nameplates	15	0.40	31	1.3
U. S. Realty & Investment Co. Real estate	18	1.40	25	5.6
United States Testing Co. Testing, research, inspection and engineering	24	0.20	9½	2.1
U. S. Truck Lines (Del.) Inter-city motor carrier	27	1.00	20¾	4.8
U. S. Trust Co. of N. Y.	106	3.40	92	3.7

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
uu Plus 5% stock dividend paid on Feb. 25, 1959.
y Stock was split 2½-for-1 in February 1959. A three-for-one 3% stock dividend was paid April 6, 1959.

The Over-the-Counter Market Biggest and Broadest – and Still Expanding

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
United Steel & Wire Co. Wire and metal specialties	22	0.20	4½	4.4
United Utilities, Inc. Holding company	20	1.28	30¼	4.2
Univis Lens Co. Manufacturer and distributor of multifocal opthalmic lens blanks and eye glass frames	31	0.35	14	2.5
Upper Peninsula Power Electric public utility	11	1.60	31½	5.1
Upson (The) Co. Exterior and interior fibre wallboard	18	0.60	13½	4.4
Upson-Walton (The) Co. Manufactures wire rope, tackle blocks, crane hook blocks and rope fittings	24	0.50	9¾	5.1
Utah Home Fire Insurance Company Fire and casualty insurance	26	1.00	29	3.4
Utah Southern Oil Co. Oil and gas producer	11	0.70	13¾	5.1
Valley Mould & Iron Corp. Ingot moulds and stools	23	3.00	49½	6.1
Valley National Bank (Phoenix, Ariz.)	26	†0.98	50¾	1.9
Van Camp Sea Food Co., Inc. Cans sea food	11	1.00	22	4.5
Van Waters & Rogers, Inc. Wholesalers, industrial chemicals and scientific apparatus	20	†0.78	40	2.0
Vanity Fair Mills Lingerie	*11	1.20	23	5.2
Vapor Heating Corp. Manufacturers of steam generators, thermostatic and electronics devices, car heating systems	25	ww2.70	57½	4.7
Veedor-Root, Inc. Makes counting and computing devices	25	2.50	53¼	4.7
Victoria Bondholders Corp. New York City real estate	23	20.00	630	3.2
Viking Pump Co. Rotary pumps	25	1.45	27	5.4
Virginia Coal & Iron Co. Owns soft coal land in Virginia and Kentucky	60	6.00	154	3.9
Virginia Hot Springs, Inc. Resort hotels	10	1.00	42	2.4
Voi-Shan Industries, Inc. Manufactures metal fasteners	a38	1.00	33¼	3.0
Volunteer State Life Insurance Co. Non-participating only	16	0.60	56	1.1
Vulcan Mold & Iron Co. Cast iron ingot molds and accessories	25	0.50	11¼	4.4

a Including predecessors.
* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
ww Stock was split two-for-one in July 1959. Figures shown are for old common.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
Wachovia Bank & Trust (Winston-Salem)	23	0.40	20¾	1.9
Walker Manufacturing Co. of Wisconsin Auto parts	13	†1.51	51½	2.9
Walnut Apartments Corp. Owning and operating apartment house in Philadelphia	12	2.25	47	4.8
Warner & Swasey Co. Machine tools, earth moving machines, textile machinery, etc.	10	0.80	29½	2.7
Warren Bros. Co. Paving contractors	16	cc2.00	58	3.4
Warren (S. D.) Co. Printing papers & allied products	23	1.40	57½	2.4
Washburn Wire Co. Wire and springs	20	1.00	39½	2.5
Washington National Insurance Co. (Evanston, Ill.) Life, accident and health	36	†0.66	61	1.1
Washington Oil Co. Crude oil and gas producer	34	2.00	28	7.1
Washington Steel Corp. Producer of Micro Rold stainless steel and strip	11	0.85	32¾	2.6
Watson-Standard Co. Manufacturer of paints, varnishes, industrial coatings, chemical compounds, and distributor of flat glass	24	0.60	11	5.5
Weingarten (J.), Inc. Supermarket chain	32	0.70	29	2.4
Welsbach Corp. Maintenance and installation of street lighting systems	12	0.95	28	3.4
West Chemical Products Sanitation products	19	0.80	21	3.8
West Coast Telephone Co. Operating public utility	19	1.12	23½	4.8
West Mich. Steel Foundry Steel and alloy castings	23	1.20	19½	6.2
West Ohio Gas Co. Natural gas utility (distribution only)	19	†0.98	21½	4.6
West Penn Power Co. Both operating utility and holding company	*36	2.65	59	4.5
West Point Mfg. Co. Textile manufacturing	72	0.80	19⅛	4.2
West Virginia Water Service Wholesale gas; retails water and ice	14	†0.66	22	3.0
Westchester Fire Ins. (N. Y.) Diversified insurance	88	1.20	30½	3.9
Western Assurance Co. (Toronto) Fire, marine, aviation, auto and casualty	25	2.80	80	3.5
Western Casualty & Surety Company Multiple line, fire & casualty and fidelity and surety bonds	21	dd1.25	42½	2.9
Western Electric Co. Makes telephone equipment for Bell system	23	3.60	206	1.7

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
cc Plus a 5% stock dividend paid on Feb. 26, 1959.
dd Quarterly dividend rate was increased from 30c to 35c on June 30, 1959.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
Western Light & Telephone Supplies electric, gas, water and telephone service	20	2.00	40½	4.9
Western Massachusetts Cos. Electric utility holding company	33	†1.15	24¾	4.6
Western Precipitation Corp. Engineers and constructors of industrial equipment	13	0.80	25	3.2
Weyerhaeuser Company Formerly known as Weyerhaeuser Timber Co. Name changed effective Sept. 1, 1959. Manufacture, conversion and sale of forest products	26	1.00	43⅞	2.3
Whitaker Cable Corp. Manufacturer of automotive cable products	24	0.80	15½	5.2
Whitaker Paper Co. Paper products and cordage	25	2.40	52	4.6
Whitehall Cement Manufacturing Co. Manufacturer of portland cement	13	†1.57	51	3.1
Whitin Machine Works Textile machinery	72	0.25	18¼	1.4
Whiting Corp. Cranes, Trambean, chemical, foundry and railway equipment	22	0.70	14¾	4.7
Whitney Blake Co. Insulated wires and cables	17	0.10	10½	9.5
Whitney Natl. Bk. (New Or.)	74	4.00	384	1.0
Wiggin Terminals, Inc., v.t.c. Boston harbor	11	1.10	20	5.5
Will & Baumer Candle Co. Candles and beeswax	63	1.00	17	5.8
Willett (Consider H.), Inc. Maple and cherry furniture	*19	0.30	7	4.3
Williams & Co., Inc. Distributor of metals	26	1.60	32	5.0
Wilmington (Del.) Trust Co.	51	†2.375	64	3.7
Winters Natl. Bank & Trust (Dayton, Ohio)	*34	1.00	26¼	3.8
Wisconsin National Life Insurance Co. Life, accident, sickness and hospitalization insurance	40	ee0.54	49	1.1
Wisconsin Power & Light Electricity supplier	13	1.36	31⅝	4.3
Wisconsin Southern Gas Company, Inc. Operating natural gas public utility	13	†0.99	19½	5.1
Wiser Oil Company Crude oil and natural gas producer	44	3.00	58	5.2
WJR The Goodwill Station (Detroit, Mich.) Detroit broadcaster	31	†0.49	12¼	4.0
Wolf & Dessauer Co. Fort Wayne department store	11	0.10	8¼	1.2
Wolverine Insurance Co., Class A Diversified insurance	12	1.00	73	1.4

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
ee After 100% stock dividend paid on May 1, 1959, company declared a 27c semi-annual dividend payable on Sept. 1, 1959. This indicates a 54c yearly payment.

Continued on page 42

Bank Women Elect New Officers

MILWAUKEE, Wis.—Helen L. Rhinehart, Vice-President and Secretary, Brenton Companies, and Assistant Vice-President, National Bank of Des Moines, Iowa, has been elected President of the National Association of Bank Women for 1959-1960.

Mrs. Marion Anderton, Assistant Cashier, Bank of America N. T. & S. A., San Francisco, Calif. has been elected Vice-President of the Association.

Others named to top offices at the annual meeting opening the Association's 1959 national convention being held at the Schroeder Hotel here in Milwaukee were:

Recording Secretary—Miss Marie Hulderson, Central National Bank and Trust Company, Des Moines, Iowa.

Corresponding Secretary—Miss Alice Akes, Decatur County State Bank, Leon, Iowa.

Treasurer—Mrs. Ann Beno, Pullman Trust and Savings Bank, Chicago, Ill.

Named Regional Vice-Presidents for the 12 national divisions of NABW for 1959-1960 were:

Lake Division (Illinois, Indiana, Michigan, Ohio): Mrs. Erma Smith Wahl, Manufacturers National Bank of Detroit, Detroit, Mich.

Middle Atlantic Division (Delaware, D. of C., Maryland, Pennsylvania, Virginia and West Virginia): Miss Mary L. Chadwick, The Riggs National Bank, Washington, D. C.

Mid-West Division (Iowa, Kansas, Missouri, Nebraska): Mrs. Marie C. Wolden, Farmers State Bank, Wallace, Neb.

New England Division (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont): Miss Elizabeth M. Quinham, Rhode Island Hospital Trust Company, Providence, R. I.

North Atlantic Division (New Jersey and New York): Miss Ruth R. Roy, Security Trust Company, Rochester, N. Y.

North Central Division (Minnesota, North Dakota, South Dakota, Wisconsin): Mrs. Evelyn Wilkinson, Farmers and Merchants Bank, Menomonee Falls, Wis.

Northwestern Division (Alaska, Idaho, Montana, Oregon, Washington): Mrs. Lucile Hafstad, Oakesdale branch, Seattle-First National Bank, Oakesdale, Wash.

Rocky Mountain Division (Colorado, New Mexico, Utah, Wyoming): Mrs. Betty Vortman, Albuquerque National Bank, Albuquerque, N. Mex.

Southeastern Division (Florida, Georgia, North Carolina, South Carolina): Miss Essie Mae Caii, The Florida National Bank and Trust Company, Miami, Fla.

Southern Division (Alabama, Louisiana, Kentucky, Mississippi, Tennessee): Mrs. Vivien Stanford, Bank for Savings and Trusts, Birmingham, Ala.

Southwestern Division (Arkansas, Oklahoma, Texas): Mrs. Sue Park, Bank of Cabot, Cabot, Ark.

Western Division (Arizona, California, Hawaii, Nevada): Miss Bess B. Stinson, First National Bank of Arizona, Phoenix, Ariz.

Irene Bere of The Merchants National Bank of Aurora, Ill., received the National Association of Bank Women's 1959 Jean Arnot Reid Award. Miss Bere was selected from among 11 young women candidates in the United States who had earned the 10 highest scholarship grades of all women who received the Standard Certificate of the American Institute of Banking this past year.

With McDaniel Lewis

(Special to THE FINANCIAL CHRONICLE)

GREENSBORO, N. C.—Robert L. Abbott, John H. McKinnon and Stephen L. Wilkerson, Jr. have become connected with McDaniel Lewis & Co., Jefferson Building.

Names Secretary

Irving Kreisman has been appointed Secretary of Alkow & Co., Inc., 50 Broadway, New York City, members of the New York Stock Exchange. Mr. Kreisman was formerly Assistant Secretary.

Herbert D. Fransioli

Herbert D. Fransioli, member of the New York Stock Exchange, passed away on Sept. 6.

Georgia Bonded Fibers, Stock All Sold

Sandkuhl & Company, Inc., of Newark, N. J., on Sept. 15 publicly offered 100,000 shares of class A common stock (par 10 cents) of Georgia Bonded Fibers, Inc. at $3 per share. All shares have been sold.

The net proceeds to be received by the company are initially to become part of the company's general fund and as such may be applied to any corporate purpose. The company presently anticipates that such proceeds will be used in the following manner: (1) $150,000 to reduce by that amount the company's indebtedness under a loan agreement secured by pledge of its inventory; (2) $50,000 to reduce by that amount the company's indebtedness under a loan agreement secured by pledge of its accounts receivables, and (3) the remainder of approximately $50,000 will be used for general working capital.

The company was incorporated in New Jersey on June 18, 1946 under the name of Georgia Leather Co. Its present name was adopted on July 8, 1959.

The company, together with its wholly owned subsidiary Bonded Fibers Inc. (Va.) is engaged in the business of manufacture and distribution of leather alternates which are used in the shoe luggage, hat, cap, belt, and leather goods trades. The principal offices are located at 15 Nuttman St., Newark, N. J., and Buena Vista, Va.

The company has paid no dividends to date. The directors have declared a cash dividend of five cents per share on the class A common stock, and one-half cent per share on the class B common stock, payable Oct. 30, 1959 to shareholders of record on Oct. 15, 1959.

Mann, Diamond to Admit

On Oct. 1 Robert A. White, member of the New York Stock Exchange, will become a partner in Mann, Diamond & Co., 400 Park Avenue, New York City, members of the New York Stock Exchange.

The Over-the-Counter Market Biggest and Broadest – and Still Expanding

Continued from page 41

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
Wood Conversion Co. Manufacturer of wallboard, insulating, cushioning materials, etc.	22	0.40	20¼	2.0
Woodward Governor Co. Speed controls for engines and propellers	20	2.50	70	3.6
Worcester County National Bank (Mass.)	17	3.00	81	3.7
Wurlitzer Company Manufacturer and retailer of musical instruments	10	†0.39	14¼	2.7
WYATT METAL & BOILER WORKS Sheet and steel plate fabricators • See Company's advertisement on page 42.	46	2.50	35½	7.0
Wyckoff Steel Co. Cold finished steels	25	1.20	22	5.5
York Corrugating Co. Metal stamping, wholesale plumbing and heating supplies	23	0.80	18	4.4
York County Gas Co. Operating public utility	14	2.60	49	5.3
York Water Co. Operating public utility	143	1.20	29½	4.1
Yosemite Park & Curry Co. Concessioner, National Park	17	†0.29	6½	4.5
Young (J. S.) Co. Licorice paste for tobacco	48	4.50	55	8.2
Younker Bros. Department stores in Midwest	*12	2.00	45	4.4
Zeigler Coal & Coke Co. Owns mines in Illinois and Kentucky	20	†0.59	16⅛	3.7

TABLE II
OVER-THE-COUNTER
Consecutive Cash
DIVIDEND PAYERS
for
5 to 10 Years

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
Air Products, Inc. Low temperature processing equipment and industrial gases	5	0.20	63	0.3
Alabama Tennessee Natural Gas Co. Pipeline	8	†1.05	26	4.0
Allen (R. C.) Business Machines, Inc. Adding machines, typewriters, etc.	7	0.50	9	5.6
Allied Thermal Corp. Holding co., heating equipment	5	1.85	29	6.4
American Greetings Corp., Class B Manufacture of greeting cards	9	1.20	45	2.7
American Home Assurance Corp. Diversified insurance	8	1.40	40	3.5
Arrowhead & Puritas Waters, Inc. Bottled drinking water	6	0.83	19¼	4.3
Atlas Finance Co. Auto financing	7	0.70	11	6.4
Auto-Soler Co. Manufactures nailing machinery	9	†0.19	5⅛	3.7
Barden Corp. Precision ball bearings	5	0.50	24⅝	2.0
Bradley (Milton) Co. Games, toys and educational teaching aids	8	0.85	27½	3.1

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

The Over-the-Counter Market Biggest and Broadest – and Still Expanding

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
California Interstate Telephone Co. Telephone service	6	0.70	14½	4.8
Camco, Inc. Gas lift equipment	6	0.10	15½	0.6
Capitol Records, Inc. Recording, manufacturing and wholesaling of records, albums and pre-recorded tape	9	1.60	38	4.2
Carlisle Corp. Inner tubes, brake lining, bicycle tires, etc.	9	0.80	24¼	3.3
Cedar Point Field Trust, ctfs. Texas oil wells	9	0.41	5¾	7.1
Central Public Utility Corp. A holding company	6	0.80	32½	2.5
Churchill Downs, Inc. "Kentucky Derby"	8	1.30	18¾	6.9
Civil Service Employees Insurance Co. Diversified insurance	*6	†1.02	27	3.8
Commonwealth Natural Gas Corp. Transmission of natural gas	5	†0.925	24½	3.8
Commonwealth Telephone Co. (Dallas, Pa.) Telephone service	8	0.90	19¾	4.6
Consolidated Freightways, Inc Motor freight	8	0.80	27¼	2.9
Consolidated Rock Products Co. Gravel and sand	7	0.80	16	5.0
Consumers Water Co. Holding co.	8	ff1.20	29	4.1
Continental Transportation Lines, Inc. Transports commodities	5	0.70	11⅝	6.9
Cooper Tire & Rubber Co. Tires and tubes	9	†0.81	29¾	2.7
Corning Natural Gas Corp. Operating public utility	7	1.13	19½	5.8
Cosmopolitan Realty Co. Denver hotel	9	20.00	250	8.0
Craftsman Insurance Co. Diversified insurance	*6	0.40	20	2.0
De Laval Steam Turbine Co. Turbines, pumps, etc.	8	†0.67	28	2.4
Denver Chicago Trucking Co., Inc. Motor common carrier	9	0.75	25¼	3.0
Diebold, Inc. Office equipment and bank vault products	5	†0.59	40½	1.5
Di-Noc Chemical Arts, Inc. Manufacturers of plastics and photographic materials, lacquer wood grain finishes	5	0.50	18½	2.7
Eagle Stores Company, Inc. Variety chain in South	7	0.45	18	2.5
East Tennessee Natural Gas Co. Supplies Oak Ridge	5	0.60	10½	5.7
Eastern Industries, Inc. Mfrs. pumps and traffic signals	7	0.40	18	2.2
Fairbanks Co. Valves, etc.	6	0.10	6⅛	1.6
Farmer Brothers Co. Wholesale roast coffee and related products	7	0.40	7¼	5.5
Fearn Foods Inc. Soup bases, seasoning compounds, etc.	6	0.50	10	5.0
Federal Life & Casualty Co. (Battle Creek, Mich.) Life, accident & health	5	1.00	97	1.0
Fifteen Oil Co. Oil and gas, Gulf Coast	5	0.30	11	2.7

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
ff Plus a 10% stock dividend paid on May 1, 1959.

Continued on page 44

Bank and Insurance Stocks

BY ARTHUR B. WALLACE

This Week — Bank Stocks

With national income figures where they have been running this year, there can be little doubt that Christmas cheer will be well spread about. And, as it is the season when crops are moved, we have a two-pronged reason for expecting large money needs by the public.

Money is tight, although there are those who say that a normally good banking proposition can readily be accommodated. However that may be, we are definitely in for a condition in which the banks will be heavily loaned up. Interest rates continue strong, with 4% and even slightly higher on Treasury bills. In Canada 6½% is to be had on high grade bonds. There are tax exempt bonds that are selling at unheard-of levels of yields.

All of this spells higher earnings for the banks, yet we are in a singularly bad market for the bank shares. With the disappearance of the New York Trust from the quotation lists, we have only about ten large New York City banks, and the present average yield is only about 3.87%. Therein lies the reason for the poor price showings of the bank stocks. Why should the investor buy these issues when he can get 5% and even better from high grade bonds?

Of course, there is a method of correcting this condition. The payout ratio of these banks is running around or under 60% of operating earnings. Heavily backed up with reserves of all kinds, and particularly reserves against possible loan losses in the future, there is no reason why some "sweetening" of dividends cannot be resorted to. The bank stock list has had about a week of heavy selling. Much of it probably comes from banks whose trust departments are busy making the switches indicated above.

Not only are yields on the bank stocks losing ground, but they are almost all selling at a sizable premium above book value; and, while this department feels that book value of a bank stock is largely meaningless — except in cases of mergers or liquidations— nonetheless there are those investors who make a strong point of the equity of a stock. So, when yields are low and book values are well under market prices, the bank shares seem in many quarters to have the cards stacked against them.

But we are persuaded that the returns will be adjusted as we go along, possibly, to a small degree by temporary lower prices; mainly by increases in cash disbursements or by stock dividends with maintenance of the present dividend rates on the new capital set-ups.

If we have an 8% to 10% increase in operating earnings by the leading New York banks— which, to this department seems to be a very reasonable expectation—it certainly will admit of additional pay-outs. One possible help toward higher income for the banks will be settlement of the steel strike, for inventories will be used up and will need replacement by access to bank credit.

On investments, as long as the present high interest rates are in effect the banks will be utilizing very short-term paper. After all, a bank cannot hire out all its funds; the present average ratio of loans to total assets is about 46½%, with government holdings about 19½%, and it is doubtful that the banks will deplete their securities investments further to feed the loan demand, on a proportionate basis.

As time passes, the large banks are seeing long-term bonds that they have carried for some years come to maturity. The funds from these securities can go into new investments at rates that probably exceed those that have obtained on the long-term low coupon media. The large banks now are well off in that they are able to realize high returns on very short obligations, Treasury bills, certificates of indebtedness, short notes, etc. All of this seems to us to translate into decidedly better operating earnings for the New York banks.

The Sept. 25 Federal Reserve report shows business loans up about $51,000,000 in the week ended with the 23rd. This compared with a dip of $13 million in the like period of 1958. But at the same date the cumulative increase for mid-year in 1959 was $383 million, versus a decline in the same 1958 period of $20 million. Let nobody say that the loan facilities of the large banks aren't taxed with heavy demand.

E. J. Duffy Opens Own Investment Office

Edward J. Duffy is conducting his own investment business from offices at 111 Broadway, New York City. He was formerly a partner in Edward J. Duffy & Co.

Form Fidelity Secs.

BALTIMORE, Md.—Fidelity Securities Corp. is conducting a securities business with offices in the Garrett Building. Officers are William Meyers, President; Arthur Merican Vice-President and Treasurer; and Elinor Merican, Secretary.

The Over-the-Counter Market Biggest and Broadest – and Still Expanding

Continued from page 43

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
Frito Co. Manufacturer and distributor of food products	6	†0.425	19¼	2.2
Funsten (R. E.) Co. Sheller and packer of pecans, walnuts and almonds	9	0.65	16	4.1
Gamble Brothers, Inc. Lumber products	9	0.40	41	1.0
Giant Portland Cement Co. Portland cement	6	0.90	26⅛	3.4
Glitsch (Fritz W.) & Sons, Inc. Refining equipment	6	0.75	9¾	7.7
Government Employees Corp. Auto financing	7	†0.74	47	1.6
Green Mountain Power Corp. Public utility, electric and gas in Vermont	8	1.00	20	5.0
Greenwich Gas Co. • Public utility — Distributor of natural gas	8	0.70	12¾	5.5
Grolier Society, Inc. "The Book of Knowledge" and "Encyclopedia Americana"	6	0.95	33¼	2.9
Hagerstown Gas Co. Natural gas supplier	8	0.825	13	6.3
Hoving Corp. Bonwit Teller women's stores	6	0.60	14¾	4.1
Hudson Pulp & Paper Corp., Class A Pulp, paper and paper products	8	1.26	28½	4.4
Hugoton Production Co. Natural gas producer	6	2.65	67	4.0
Indiana Gas & Chemical Co. Coke	8	0.75	20½	3.7
International Textbook Co. Printing, publishing and home study schools	8	3.00	65	4.6
Jack & Heintz, Inc. Manufactures aircraft electric equipment	8	0.80	13⅛	6.1
Jacobsen Manufacturing Co. Power lawn mowers	7	0.20	6⅞	2.9
Jersey Mortgage Co. Mortgage banking and real estate	9	3.00	48	6.3
Kaiser Steel Corp. Leader on Pacific Coast	8	0.40	56	0.7
Kay Jewelry Stores, Inc. Retail jewelry stores	*5	1.60	22¾	7.0
Kelling Nut Co. Edible nuts	4	0.25	5½	4.5
Keyes Fibre Co. Manufacturer of molded pulp and fibrous plastic articles	9	†1.18	25½	4.6
Keystone Portland Cement Co. Manufactures cement	9	2.40	42¼	5.7
Lee & Cady Co. Wholesale grocery chain	6	0.60	8½	7.1
Ley (Fred T.) & Co. N.Y.C. real estate	7	0.25	3¾	6.7
Louisville Investment Co.	6	1.75	76	2.3
Marmon-Herrington Co. Inc. Heavy duty trucks, mining equipment and supplies	9	†0.53	14¼	3.7
Marsh Steel & Aluminum Co. Formerly known as Marsh Steel Co. Name changed in February, 1959. Metal products	8	0.40	7⅜	5.4
Material Service Corp. ' Limestone	7	3.00	500	6.0
McNeil Machine & Engineering Co. Tire curing presses, industrial machinery, lubrication equipment	8	1.60	54¼	2.9
Metals Disintegrating Co. Metal powders	9	0.40	24½	1.6
Mexican Eagle Oil Co., Ltd. Ordinary Property interests	8	kk0.30	2	15.0

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
kk Plus $0.56 per share repayment of capital.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
Michigan Gas Utilities Co. Natural gas distributor	6	1.00	24½	4.1
Michigan Surety Co. Diversified insurance	*6	1.875	60	3.1
Mississippi Valley Gas Co. Natural gas distributor	6	1.20	26¼	4.6
Monmouth Park Jockey Club, Common and VTC Thoroughbred horse racing	7	0.45	8½	5.3
Mutual Mortgage & Investment Co. Mortgage financing	6	3.25	81	4.0
National Cranberry Assn. Cranberry products	9	1.00	11	9.1
National Gas & Oil Corp. Natural gas and Pennsylvania grade crude oil	9	1.275	23	5.5
New Jersey Natural Gas Co. Natural gas distributor	9	gg1.60	46	3.4
N. Y. Wire Cloth Co. Insect metal screening	7	1.30	16½	7.9
Norris-Thermador Corp. Metal stamping and fabrication	9	0.75	17⅝	4.3
North Penn Gas Co. Natural gas public utility	9	0.60	11¼	5.3
Northport Water Works Co. (Northport, N. Y.) Sale of water	6	1.60	29	5.5
Northwest Natural Gas Co. Natural gas distributor	7	0.72	17	4.2
Northwest Plastics, Inc. Plastic products	8	0.20	6⅞	2.9
Pacific Outdoor Advertising Co. Outdoor advertising	8	0.40	12	3.3
Palace Corp. Trailers	8	0.10	2½	4.0
Pantex Manufacturing Corp. Laundry equipment	7	†0.05	2⅝	1.9
Park-Lexington Co. N. Y. C. real estate	7	10.00	154	6.5
Parker-Hannifin Corp. Manufacturer of hydraulic and fluid system components	9	†0.66	25½	2.6
Penn Fruit Co. Inc. Regional super market chain	7	†0.34	19⅜	1.8
Petersburg Hopewell Gas Co. Natural gas	7	†1.00	22½	4.4
Philadelphia Fairfax Corp. Philadelphia apartment house	6	2.50	58	4.3
Pioneer Natural Gas Co. Serves West Texas & New Mexico	*5	1.40	38¾	3.6
PLASTIC WIRE & CABLE CORP. Plastic covered wire and cable • See Company's advertisement on page 37.	7	1.00	24	4.2
Plymouth Rubber Co. Plastic and rubber specialties	7	u†0.33⅓	19¾	1.8
Portable Electric Tools, Inc. Portable tools	5	0.25	8¼	3.0
Porter-Cable Machine Co. Portable electric tools	6	†0.77	19½	3.9
Quaker City Cold Storage Co. v. t. c. Cold storage facilities	9	0.20	9½	2.1
Racine Hydraulics & Machinery, Inc. Pumps, valves, etc.	7	0.30	14½	2.0
Radio Condenser Co. Manufacturing electronic parts and components, variable condensors, auto push button tuners, military tuners	6	0.05	7½	0.7
Ritter Finance Co., Class B Personal loans	7	0.28	5¼	5.3
Robbins & Myers, Inc. Manufacturing motors, fans, hoists & cranes, and pumps	9	2.00	50½	4.0
Rochester Transit Corp. Rochester, N. Y., bus lines	9	0.40	6¾	5.9
Rumford Printing Co. Magazines and general printing	7	4.00	73	5.4
614 Superior Co. Rockefeller Bldg., Cleveland	6	1.50	42	3.6
Smith (T. L.) Co. Concrete mixing equipment	9	0.20	17	1.2
Smith & Wesson, Inc. Pistols and revolvers	5	0.50	33	1.5

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.
gg Plus a 2% stock dividend paid on Dec. 1, 1958.
u Plus a 25% stock dividend paid on Nov. 1, 1958. Dividend rate is still 40c annually.

	No. Consecutive Years Cash Divs. Paid	Cash Divs. Including Extras for 12 Mos. to June 30, 1959 $	Quotation June 30, 1959	Approx. % Yield Based on Paymts. to June 30, 1959
Sommers Drug Stores Co. Retail drug store chain	9	0.40	11	3.6
Sorg Paper Co. Stock lines and specialty papers	10	†0.49	13½	3.6
Southern Nevada Power Co. Electric utility	8	1.00	26	3.8
Southland Paper Mills, Inc. Newsprint	8	2.00	137	1.5
Standard Commercial Tobacco Co. Tobacco merchandising	7	0.15	5¾	2.6
Standard Milling Co. Class B, voting Flour, grain and charcoal	5	0.20	5½	3.6
Standard Paper Manufacturing Co. Sulphite bonds & coated papers	8	4.00	62½	6.4
Steak 'n Shake, Inc. Restaurant chain	6	0.30	5⅜	5.6
Sterling Discount Corp. Auto financing	7	0.30	8½	3.5
Tennessee Natural Gas Lines, Inc. Pipe lines	9	0.60	13½	4.4
Texas Eastern Transmission Operates natural gas pipelines	9	1.40	28¾	4.9
Texas Illinois Natural Gas Pipeline Co. Natural gas transmission	6	1.20	23¾	5.1
Texas Industries, Inc. Aggregate, cement and concrete products	7	0.30	9¼	3.2
Title Guarantee and Trust Co. (N. Y.) Title insurance	7	1.28	25½	5.0
Toronto General Insurance Co. Fire & casualty	*6	1.50	24	6.3
Transcon Lines Motor freight—common carrier	9	0.555	23	2.4
Transcontinental Gas Pipe Line Corp. Interstate natural gas pipeline system	8	1.00	21¾	4.6
United States Life Insurance Co. in the City of N. Y. Life, accident, health and group	8	†0.135	43½	0.3
United States Sugar Corp. Sugar production	8	1.50	30½	4.9
United Transit Co. (Del.) Urban bus lines	7	0.60	6½	9.2
Vendo Co. Vending machines	7	0.60	15¼	3.9
Vulcan Corp. Wood heels, bowling pins, etc.	9	0.90	14	6.4
Waverly Oil Works Co. Oils, greases and soaps	9	0.50	10¼	4.9
Weco Products Co. Toiletries	6	1.00	15¾	6.3
Western Utilities Corp. Holding company and publishing telephone directories	7	0.34	7½	4.5

* Details not complete as to possible longer record.
† Adjusted for stock dividends, splits, etc.

Difference Between Listed and Over-the-Counter Trading

The exchange market is often referred to as an auction market because a stock exchange provides a focal point for the concentration of bids and offerings of potential purchasers and sellers for all securities listed on it. Genuine auction marketing in a security cannot be maintained, however, unless there is sufficient activity in it.

In those cases where less active securities are traded on an exchange, it devolves upon the stock specialist for each particular stock to create a market, in the absence of sufficient public orders

to buy or sell, by, in effect though not in strict parlance, putting in an order for his own account. In other words, if you wanted to sell 100 shares of XYZ stock and the specialist had no order from anyone else to buy that stock, he himself would be expected to enter a reasonable bid on his own.

The continuity of any market thus created is largely dependent upon his financial resources and his willingness to thus risk his own money.

The Over-the-Counter Market

On the Over-the-Counter Market the situation is quite different. Here there are a tremendous number of dealer firms from coast to coast that interest themselves in making a market for unlisted and some listed stocks and bonds. Most of them can communicate with each other instantaneously through private telegraph wires or other facilities at their disposal.

Thus many over-the-counter dealer-brokers, in New York, for instance, will be doing business throughout the day with other dealer-brokers in Boston, New Orleans, Chicago, St. Louis, Denver, Los Angeles, San Francisco, Seattle and other cities from coast to coast. As an integral part of their operations dealer-brokers stand ready to buy and sell substantial quantities of the securities they are "quoting" and maintain inventories in them. Some firms, of course, choose to act solely as brokers and not dealers.

Because of competition, the spread between the bid and the asked figures on more active stocks is quite narrow. In less active stocks the over-the-counter dealer must find contra-orders if he does not wish to assume inventory positions in the securities involved. It is his business to know which other dealers in all parts of the country might have a buying interest in a given security.

One, five, ten, fifty or more over-the-counter dealers in different parts of the country may interest themselves in "making a market" for a given unlisted security. Prospects known to the first dealer, or known to those other dealers he contacts (either locally or in other cities), may often include individuals who are believed to have a buying or selling interest in the instant security, or investors who might be induced to buy.

The process of constantly seeking out buyers and sellers is characteristic of the Over-the-Counter Market.

A major characteristic, too, of the "counter" market is negotiation. If a gap in price exists after a prospect is found, the transaction does not die. Instead negotiation ensues. The mere existence of a buy or sell order is the incentive for the "counter" dealer to find the opposite. The Over-the-Counter Market thus has no physical limitations.

As a practical matter, though, individuals in any city of 100,000 or more can frequently pick up a phone and call a dealer-broker and get an execution on an order for an unlisted security momentarily—often while the call is progressing.

Some "Counter" dealers sell directly to investors themselves. In other cases they may have a dealer following throughout the country consisting of retail firms that are always looking for securities that present good values to sell to their investor clientele.

Numerous exchange firms also deal in over-the-counter securities and any that do not must buy from or sell to an over-the-counter dealer to execute customers' orders for unlisted securities.

Many listed securities, too, are sold over-the-counter when the blocks are too large to make a quick orderly sale on an exchange possible.

An investor need not concern himself with the intricacies enumerated above, since his dealer-broker will obtain current market quotations on any over-the-counter stock or bond, and handle all details of purchase and sale.

The longer trading day in the Over-the-Counter Market is often a distinct advantage to the investor. On an exchange, securities can only be sold in New York between the hours of 10:00 and 3:30; in the Midwest between 9:00 and 2:30, and on the West Coast between the hours of 7:00 and 2:30. However, in most instances unlisted securities can be sold any time between 9:00 and 5:00 in the Midwest, and on the West Coast it's even longer than that. Dealer-brokers in the Over-the-Counter Market there are on the job from 7:00 in the morning until 5:00 in the afternoon.

Stock Exchange Commission Rates vs. Counter Dealer Charges

When an exchange-broker executes an order for you in an exchange-listed stock, he tells you the cost price as well as the amount of his commission on your confirmation slip. On the other hand the over-the-counter dealer more often than not buys from and sells to you "as principal" or on a "net" basis as it is termed in the parlance of the securities business. This means his profit or loss is included in the price he quotes you and there is no commission charge shown on his confirmation. The over-the-counter dealer usually acts just as a merchant does in other lines of business. In other fields when you buy a set of dining room furniture, a fountain pen or what have you, the merchant sells it to you at a flat price and does not add any commission thereto. So with the "counter" dealer.

It is true that exchange commission rates more often than not are lower than the profit rates over-the-counter dealers are obliged to operate on. An important reason for this is the fact that the services of the over-the-counter dealer, besides frequently necessitating his taking the risk of an inventory position, include the extensive searching for matching bids and offers from potential buyers and sellers.

When a security is taken from the Over-the-Counter Market and listed on a stock exchange, over-the-counter dealers ordinarily lose interest in it, for they cannot make a profit trading in it at rates comparable to the commission charges of exchange firms. Though the "counter" dealers' profit rates may be somewhat higher, they may afford investors "better" prices than the less expensive service of exchanges.

Values

For one thing, the basic fact is that the price of over-the-counter stocks is not swollen by the premium the public is ordinarily willing to pay for exchange-listed securities. Then, too, active listed stocks and the exchange stock ticker system provide a ready vehicle for speculation and tend to center buying and selling decisions on short-term price swings in lieu of "real economic values." Many apparently buy stocks according to hoped-for price movement and not for true investment purposes, their interest being merely "where is the price going and when."

The mere fact that under the "exchange auction-specialist system" the spread between bid and ask prices is close or narrow is no indication that the investor gets good value when he buys or that the seller obtains a price in keeping with the intrinsic value of the stocks he wishes to sell. Intelligent investors are quick to recognize the fact that prices and values are two totally different things.

As pointed out before, the assumption of inventory positions is an integral part of the over-the-counter dealers' task. They must take the initiative in assuming such positions. Although they must be aware of and responsive to the foibles of their customers, they cannot without unwarranted hazard buy securities for inventory purposes unless they take cognizance of basic economic values.

Basic economic values may appear somewhat elusive, but they are nonetheless real. They consist of mathematical and non-mathematical elements. Some insights as to the real value of a stock may be gained by checking such things as its earnings and dividend records, book value and liquidating value. But the first three of these are tied to the past, and subject to the fact that accounting is an inexact science. And liquidating value may be largely of academic significance, if the corporation is going to continue in existence. The anticipated future average annual net income of a corporation may be capitalized numerically, but not without reference to many non-numerical concepts. These include the acumen, initiative, imagination and forcefulness of the officers and directors of the corporation. Speculation as to how the present and possible future products of a corporation will fare on the markets may be handled numerically only to a certain extent.

When an individual consistently purchases stocks without regard to basic economic values, he may at times make money, but sooner or later he will book losses. And although he may remain

Continued on page 46

The Over-the-Counter Market Biggest and Broadest – and Still Expanding

Continued from page 45

"in the market" for an extended period, he cannot do so after his capital is exhausted.

Inventory Positions

So it is with the over-the-counter dealer. If he habitually assumes inventory positions at prices out of line with basic economic values, the economic forces will in due time exhaust his capital and drive him from the scene. For survival he must be cognizant of the elements, listed above, which are determinants of the real value of the securities in which he is taking inventory positions. His prices cannot consistently be out of line with real values. Particularly in regard to the non-numerical elements which go into the making of the real value of a security in which he is to assume a position, he must, as a general rule, have knowledge superior to that of the lay trader.

Therefore, an important contribution of over-the-counter dealers who take important inventory positions results from the fact that their market pricing must be influenced definitely by intrinsic corporate value factors. They must stress value consciousness over quotation consciousness.

Officers and directors of the 14,000 banks and the major insurance companies of the country when buying or selling their own institution's stock for their own account do so almost entirely through over-the-counter dealers. Investment officers, of these institutions, too, are continually buying and selling government, municipal and corporation bonds and stocks through "counter" dealers for the account of their banks and companies.

Just as you get good or indifferent treatment and values from both large and small stores in other lines of business, so it is with over-the-counter dealers. It is not necessary for a firm to have a million dollars to be thoroughly trustworthy and to have good judgment with respect to investment values. Just be sure the over-the-counter firm or individual dealer you contemplate doing business with has a good reputation.

It is no exaggeration to say that both exchanges and the Over-the-Counter Market are vital to our economic life. Through the medium of stocks and bonds, idle capital of individuals, banks, institutions and the like flows into trade and industry and makes it possible for business to obtain the wherewithal with which to provide jobs for ever more workers at ever less human effort and at ever more remuneration. Savings thereby become an asset to society and not a problem. The beauty of it is that the capital needs of both big and small business alike can be thus served.

If it were not for the exchanges and Over-the-Counter Markets, investors of all types would find it almost impossible to quickly retrieve the capital they put at the disposal of governments, municipalities or corporations. This is one of the many reasons why it is socially important that those engaged in the investment business thrive.

Substantial Growth Ahead And a Perilous Pitfall

Continued from page 5

liability for tax payments fell by $1.2 billion. As a result, our disposable income — which is our personal income after taxes—fell by only $1.2 billion. Now personal savings were reduced by the modest amount of $0.3 billion. This reduction in personal savings permits a corresponding increase in consumption. So we find now that consumption, in our final analysis, fell by only $0.9 billion.

III

Policies Deliberately to Counter Recession and Promote Economic Growth

(A) *Housing Legislation.*

The favorite form of legislation to counter recession and to promote economic growth is housing legislation. In each of the three recessions—and gratuitously on a few other occasions — Congress with alacrity has passed housing bills. The first of these bills was passed for the 1949 recession. It achieved a 10% increase in housing starts in 1949, the recession year. Following that in 1950 housing starts rose more than 35% in addition, but that was due to the great stimulus to housing starts which came from the Korean War. Again as though it were for the recession of 1954 another housing bill was passed by Congress. In 1954, the recession year, housing starts increased by more than 10%, and the increase was almost another 10% in 1955. In the recent recession of 1957-1958, the annual rate of housing starts at the low point, the first quarter of 1958, fell below an annual rate of 1,000,000. By the end of 1958, this annual rate had been boosted by almost 45% to an annual rate of more than 1,430,000 housing starts. In July housing starts were at the annual rate of 1,350,000.

In the great recession of 1929-1933, housing starts fell by about 85%. Now in three recessions we have seen housing starts increase substantially in each recession. In the great recession of the early 1930's the writer built a house and was impressed with the rigid and conservative terms of financing which then were the best available. For the writer these terms were a 40% down payment, 6% interest, 6% amortization of the maximum amount of the mortgage, and 3% commission. These appeared to be the most favorable terms our economy at that time could produce. They were onerous enough to send housing starts down, as has been pointed out, by 85%, as the Great Depression came on.

Now as we have observed, housing starts are increased in the recession. The technique is to lengthen the period of amortization and to reduce the down-payment. In fact, in 1949 we experimented with the first no-down payment housing bill and this was amplified into what is commonly called the "No, No, No, down payment" Housing bill of 1954. A year ago these methods were further improved upon.

But essentially their difference is this: On a comparable house built in 1932 the writer's down payment was $5,600. Today it can be down to nothing. Now it is perfectly clear to anyone that it is much easier to find families able to make no down payment than able to make a down payment of $5,600. The result has been that housing starts have been increased in recession. Despite the very generous terms and slender down payments, defaults and delinquencies have been few indeed. It is to the credit of the built-in automatic economic stabilizers and our policies to maintain high level economic activity that they so very well stabilize total personal incomes in the United States that we all pay our instalment debts for houses and consumers durable goods with a minimum of credit losses.

(B) *Polices of Tax Reduction and/or Expenditure Increase.*

In the two earlier recessions of 1949 and 1954, we had substantial tax reductions. These were extremely stimulating to consumption and to housing expenditures. In the 1957-1958 recession, however, our tax reduction was a most modest one-half billion dollars given to relieve our economically harassed railroads. This time more attention was given to increased expenditures. The increase in expenditures was $6 billion. As we have seen, tax obligations did decline as corporate profits were sharply reduced. Here the remainder of the $12 billion budget deficit is explained because tax collections declined by $6 billion.

(C) *Highway Expenditure Policies.*

In the 1957-1958 recession, perhaps as a form of spending instead of tax reduction, Congress greatly enlarged the funds available for highway building. The annual rate of highway expenditures increased five times, rising from $0.6 billion to $3.0 billion. It was this acceleration which has been getting us into difficulty and which has sobered Congress, apparently, into increasing the gasoline tax to keep the whole program on the required pay-as-you-go basis.

(D) *Policies Relating to Defense Expenditures.*

In the recent recession, the Secretary of Defense was authorized to increase defense expenditures.

All in all, these policy measures have supported the automatic stabilizers in giving a vigorous upward push to the economy following each of our postwar recessions.

IV

The Prospects for Economic Growth Through 1966 Without Inflation—and at High Interest Rates

We are coming to understand the operation of our economy and its built-in stabilizers and how economic policies may nurture economic growth. As businessmen become aware of these forces for stability, we can expect them increasingly to stabilize their expenditures for plant and equipment. This will be helpful in fighting economic recession.

Our economic recessions are of three types:

First, we have the recession brought about by inventory liquidation. These, both before and after World War II have been modest recessions.

The second type of recession comes with a sharp decline in business expenditures for new plant and equipment. These expenditures, in the great recession of 1929-1933, declined by 93%. This experience led to the expression that "nothing is as scared as a million dollars."

The third cause of economic depressions, and this cause produces by far the deepest economic depressions, is found in our repeated "collapses of the money supply." With this third cause I shall deal in the final section of this paper.

Inventory liquidation as a cause of depression we can now understand to be a mild cause.

This leaves us with the prospects for possible decline in capital expenditures by business.

These prospects are not adverse for the discernible future. Rather we will probably be very agreeably surprised both by the maintained stability in capital expenditures in the next seven years and by the growth in them. This will be due to the fact that our rate of technological development and improvement is very rapid, our labor supply will for these seven years be very scarce, and wages will continue to be very high. These high wage rates are the premium offered to a businessman to install better labor-saving plant and equipment and plant and equipment with greater efficiency. That is precisely so the businessman can produce a larger amount with the same labor supply, and, at the same time, earn with profit the higher wage rate he must pay.

At the same time, this expected sustained high record for plant and equipment expenditure will make the country very prosperous. That prosperity will be reflected in higher family incomes and nothing quite promotes expansion of home building as it is promoted by higher family incomes. This is the great contribution of business in the last 14 years to the home building boom. With average family incomes in the United States running at about $6,200, all "average families" can be rather readily contemplate building a new home.

Today, probably family incomes permit 65% of American families to finance the purchase of a new home. With improvements in house technology coming at a rapid rate, our families will increasingly get the idea that a new home represents about the finest way in which they may spend their steadily increasing incomes.

Moreover, as we know, starting about 1967 the young people born in the first postwar years, after 1945, will push the family formation rate up to about 1,270,000. And to these families who will need a new home, the homes which can be built and paid for by families with adequate incomes, and an immense building boom is in prospect. Moreover, we have ahead great growth of our major metropolitan centers. For something like 180 of such centers, the population growth by 1980 is expected to be increased by no less than 60,000,000.

V

Remarkable Economic Growth 1960-1967

The growth in the economy which can be expected in the next seven years should produce a Gross National Product in excess of $600 billion and average family incomes of $7,500. This advance can be produced without any serious inflation, mostly because we are developing very improved methods to fight inflation, and we can hope we will make the political decision to continue the fight.

The weapons against inflation include a balanced budget, and that we have every prospect to expect in fiscal 1960, and to expect even a substantial budget surplus in fiscal 1961. The second weapon against inflation is a tight money policy, and that we all know continues to prevail, and the present modest, increasing threat of inflation will reinforce the monetary authorities in their tight money policy. The third weapon is the restraint upon wage increases so that their amount shall not be in excess of the general average increase in per worker production. That struggle has been dramatically before us in 1959.

That the battle against inflation is being increasingly won is suggested by the fact that from 1940 to 1948 the cost of living index increased 75% or 9⅜% a year. From 1948 to 1959 the increase has been 19% or about 1¾% a year. Thus we are doing about five times better in holding inflation down. Moreover, practically all of the increase in prices in the last 11 years come with the Korean War and the very substantial business capital investment boom of 1956-1958. In fact, in these past 11 years, 1948-1959, we have had more years in which prices have remained almost completely constant than years in which prices have noticeably advanced. So I am greatly encouraged that we will win in the struggle against inflation, though we should not be so rigid as to expect absolute stability. Such absolute stability amounts almost to a prevention of the normal "breathing process" of an economy.

VI

The Dark Cloud of 1970—A Lowering Bank Liquidity

The almost fabulous record of the American economy since the end of the Second World War has been hugely facilitated by the enormous liquidity of the economy. At the end of 1945, for example, commercial banks of the United States were 83% liquid. This contrasts with a liquidity ratio of 23% in 1929, and a few years later we had a great financial collapse with chaos taking over in 1933.

Today this measure of bank liquidity stands at 46%. Unless we act in time — and there is plenty of time but little resolution to act — we will be back to the fatal 23% level on Nov. 18, 1970. More specifically the time will be 10:30 a.m. Then our liquidity "will have run out." We could then have a financial collapse. This possibility has been discussed in the Annual Report of the Federal Deposit Insurance Corporation for 1957 (pp. 65-66) in the following words:

"There is no question that the present deposit insurance fund would be entirely inadequate should, for example, a situation similar to that of 1930-1933 recur.

"To what extent can ge expect a situation such as that of 1930-1933 to recur? Certainly, we can conceive of the possibility of a severe economic downturn accompanied by large numbers of bank failures. Neither the public confidence engendered by the existence of Federal deposit insurance nor the improvements in banking and bank supervising would be sufficient to prevent these failures which would be a

consequence of economic dislocations of a fundamental nature.

"However, because the Federal Government is committed, under the Employment Act of 1946, to follow policies which will stimulate full employment, and in view of the knowledge and authority now possessed by various agencies of the Federal Government, it is reasonable to assume that we will be able to avoid prolongation of a serious depression."

There you have it. Even the FDIC says it can't stem the tide, so we can see why deep trouble may again come.

I would like to think that we would meet the strain that would come by adopting wise policies before hand. But history affords me no basis whatsoever for taking that view. We have never met these crises until "after the event." I hope we will do better this time. Policies to maintain adequate bank liquidity and, above all, policies widely to promote branch banking, can give us great protection if we will adopt them.

But to close on a lighter vein, this much can be said:

Somewhere for most of seven to 11 years, high prosperity will prevail. Perhaps we can adopt wise policies to see that it is continued. However, many of us will not be in distress after 11 prosperous years, many of us will have retired to fine new homes in California, Texas and Florida, and certainly we must leave some economic problems to be solved at many letter conventions and meetings of American businessmen.

Collier Acres, Inc. Stock Now Offered

Williams & Associates, of Newark, N. J., on Sept. 18 publicly offered 300,000 shares of common stock (par one cent) of Collier Acres, Inc. at $1 per share. These shares were offered as a speculation.

The net proceeds will be used as a down payment on purchase of 10 sections (6,400 acres) at approximately $40 per acre; for advertising and promotion; for general working capital and other corporate purposes.

The company was organized under the laws of the State of Florida on Jan. 1, 1959 for the purpose of engaging in the business of buying, selling, developing and sub-dividing real estate. Its present business consists of the ownership and sale of tracts of 5 and 10 acres from a parcel of approximately 2,500 acres of undeveloped land in Collier County, Fla., of which approximately 400 acres remain unsold. The company's present operations involve the retail sale of small acreage tracts to the general public on a time payment plan wherein the purchaser pays $10 down and $10 per month for five acre tracts and proportionately higher for larger tracts.

Bache Adds to Staff

(Special to The Financial Chronicle)

CINCINNATI, Ohio—George G. Seremetis has been added to the staff of Bache & Co., Dixie Terminal Building.

W. A. Winn Opens

JUNEAU, Alaska—William A. Winn is engaging in a securities business from offices at 513 East Street. He was formerly with Grande & Co., Inc.

Herbert M. Dreyfus

Herbert M. Dreyfus, partner in Benton & Company, New York City, passed away on Sept. 11.

John W. Adie

John W. Adie, limited partner in Townsend, Dabney & Tyson, Boston investment firm, passed away Sept. 21.

As We See It

Continued from first page

Where the Public Interest Lies

There is no doubt in our mind as to where the public interest lies in this struggle of the titans. The overly aggressive march of organized labor must be halted, and without delay, if we are to escape consequences, the ultimate gravity of which only the thoughtful have even yet begun to understand. If the Administration has grown to realize the true inwardness of this situation and its potential for harm to us all, it has given no indication of it. Its effort has from the first been to bring pressure upon both sides in the controversy so that the mills might be reopened and business generally proceed promptly to develop the boom that is apparently in the cards for the near term future, or would be if steel is again being produced in the usual abundance. It has shown no great perturbation during the past few years as the labor monopoly has wrung one concession after another from management which enjoys no immunity from the antitrust laws. One rather easily senses that the Administration would like nothing better than for the steel industry and the union to reach the sort of "compromise" agreement that has long been the rule—and the "compromise" is all too often merely giving the unions what they really demand.

Nor is there any clear indication that the great rank and file hold views radically different from those of the Administration. Evidently the politicians in all parties and segments of public life in Washington are convinced that they would gain nothing by insisting upon anything in the nature of a halt to the wage-inflation trend. This failure of public opinion — if such it is — is of key importance, since it is a decent—and quite practical—respect for the opinions of mankind that, according to New Deal theory, is supposed to hold the leaders of the wage earners in check. The apparent indifference of the general public to the real issue in this steel dispute may or may not be attributable to the lack of vigorous leadership from Washington or other political sources, but that sort of leadership is unfortunately not very likely to develop in a country where the so-called labor vote is so large as it is here.

Situation Should Have Been Impossible

The cold truth of the matter is, of course, that the conditions which made it possible for such a situation to arise should never have been permitted to develop in the first place. We say "permitted to develop"; it would be more accurate to say definitely and persistently encouraged by the powers that be over several decades. The New Deal notion of getting the wage earners of the country into a set of unions so closely knit as almost automatically to place them all under the thumb of a small group of men, smacks of the ideology propounded by the communists in Russia and elsewhere. It was a definite turning of the back upon the traditional American reliance upon competition to permit natural forces to hold all elements in the business population to courses which could be relied upon to bring the greatest good to the greatest number.

And we may as well face the fact that unless and until something effective is done about this abandonment of the tried and true American social and economic doctrine and practice, we shall not avoid such situations as that now plaguing us all in the steel industry. Of course, we now have the provisions of the so-called Taft-Hartley law which for a time ward off the penalties of a costly strike, but they do nothing and can do nothing to reach the fundamental issues now presented in the steel case. What in the past has usually happened is that while the affected industries continued to function under compulsion, the Federal Government and the politicians managed to bring enough pressure upon the parties to the dispute to effect a settlement quite favorable to the unions and quite in keeping with the trend which is fastening a long-term inflation upon us.

Just how this basic problem is to be or could be solved—given the degree in which the general public has been New Dealized in its thinking on the subject and the extent to which the unions have been able to organize themselves into politically powerful elements, it is not easy to say, but there is no reason to doubt that it could be solved given a will to do so. The most disheartening aspect of the matter is found in the widespread lack of general realization of the urgent need to solve it—or even of the existence of the problem. The situation is doubly dangerous by reason of the fact that the demands of the unions in so large a degree include not only higher rates of pay but various types of restrictions on management which all but inevitably curtail output, or at the very least make avoidance of such curtailment a costly process of designing and installing fearfully expensive equipment which is subject to a high rate of obsolescence. If the current steel situation in some appreciable measure arouses the people to the dangers by which they are faced, it will be worth what it costs.

NSTA Notes

INVESTMENT TRADERS ASSOCIATION OF PHILADELPHIA

At the annual meeting of the Investment Traders Association of Philadelphia Rubin Hardy, First Boston Corporation was elected President for the ensuing year. Other officers elected

Rubin Hardy

Willard F. Rice

John E. Knob

William R. Radetzky

Jack Christian

were Willard F. Rice, Eastman Dillon, Union Securities & Co., First Vice-President; John E. Knob, Drexel & Co., Second Vice-President; William R. Radetzky, New York Hanseatic Corporation, Secretary; and Jack Christian, Janney, Dulles & Battles, Inc., Treasurer.

Elected directors were Robert N. Greene, Stroud & Co. Incorporated; Edgar A. Christian, Suplee, Yeatman, Mosley Co., Inc.; James G. Mundy, Suplee, Yeatman, Mosley Co., Inc.; Stanley W. Jeffries, Newburger & Co.; Thomas J. Love, George E. Snyder & Co.; Spencer L. Corson, Elkins, Morris, Stokes & Co., and John D. Wallingford, Hecker & Co.

Frank J. Laird, Stroud & Co., Inc., was elected Trustee of the Gratuity Fund.

The First Annual Honorary Award of the Association was presented to Lawrence Colfer, Rufus Waples & Co.

SECURITIES TRADERS ASSOCIATION OF DETROIT & MICHIGAN

The annual election of officers of The Securities Traders Association of Detroit and Michigan, Inc. was held on Sept. 17, 1959 and the following were elected to offices for the year beginning Oct. 1, 1959:

President—William B. Hibbard of Baker, Simonds & Co.

Vice-President—Donald L. Richardson of Nauman, McFawn & Co.

Secretary—Peter M. MacPherson of Manley, Bennett & Co.

Treasurer—Eugene P. Albers of Charles A. Parcells & Co.

Morrison Co. Adds

(Special to The Financial Chronicle)

CHARLOTTE, N. C.—John H. Burress, Joseph S. Hoard, III, W. W. Jarvis, William M. Monroe, Jr. and Vira B. Wall are now with Morrison & Co., Inc., Liberty Life Building.

With La Hue Inv.

(Special to The Financial Chronicle)

ST. PAUL, Minn.—Zelotes D. Cutter is now with La Hue Investment Co., Pioneer-Endicott Building.

H. B. Redfield Opens

CORPUS CHRISTI, Texas — Harris B. Redfield is engaging in a securities business from offices in the Gulf Security Building.

With Cunningham, Gunn

(Special to The Financial Chronicle)

CLEVELAND, Ohio—Robert A. Keyes has become connected with Cunningham, Gunn, & Carey, Inc., Union Commerce Building, members of the Midwest Stock Exchange.

Goodbody Adds to Staff

(Special to The Financial Chronicle)

CLEVELAND, Ohio — John W. Denner has been added to the staff of Goodbody & Co., National City East Sixth Building.

Opens Inv. Office

Peggy Keenan is engaging in a securities business from offices at 1322 Second Avenue, New York City.

With United Secs.

(Special to The Financial Chronicle)

GREENSBORO, N. C. — R. F. Boyles has become associated with United Securities Co., Southeastern Building, He was formerly with McDaniel Lewis & Co.

W. L. Hess Opens

MOORESTOWN, N. J.—William L. Hess is conducting a securities business from offices at 1 West Central Avenue.

Mutual Funds

BY ROBERT E. RICH

The Learning Curve

Long before our recent guest, Mr. Khrushchev, threatened to snow us under with engineers and other assorted technicians, the American people had already been pretty well sold on the virtues of a college education. As any harried administrator trying to cope with rising applications for enrollment well knows, just about everybody intends to send his son or daughter to college. But there has lately been a surprising new revelation by the Ford Foundation that just about nobody has gotten around to facing up to the realities of meeting such future expenses.

According to the foundation's survey, no fewer than 69% of parents with children under the age of 18 believe that their offspring will enter college. Yet 60% of this group disclose that they have started no savings plan to pay the bills. The remaining 40% thus far have average savings of just $150. This is not even the worst of it. These parents estimate annual expenses at $1,574 for private institutions and $1,370 for public institutions. A much better informed estimate is $2,354 for private colleges and $1,980 for public universities.

These latter figures, along with statistics compiled by the foundation, were reported this week by **Franklin Distributors,** which handles **Franklin Custodian Funds.** They are attributable to Dr. Ernest V. Hollis, director of the College and University Administrations Branch of the Office of Education. Dr. Hollis points out college expenses this year are running 7% higher than those last year. They will, in his opinion, double by 1970.

Where there are problems, of course, there are opportunities. Providing such funds for the future can best be accomplished through continuous investment in a manner that will counteract the possible effect of future inflation. That leaves plenty of room for the mutual funds and, particularly, for mutual fund accumulation programs. Some fund managers emphasize the fact that much of the impact accumulation plans have had thus far is the result of early financial planning by parents for the education of their children.

One publication which makes a good argument for the mutual fund is the September college education pamphlet of **National Securities & Research Corp.** and **National Growth Stocks Series.** Notes the pamphlet: "There are but two ways to meet the cost—one through scholarships; the other through payment of tuition. The general uncertainty of winning a scholarship makes it imperative that tuition needs be provided for over a period of years."

The situation is clear enough. The opportunities are there. But if this latest round of data means anything at all, it is that the funds thus far have barely scratched this lush market.

The Mutual Funds Report

Massachusetts Investors Growth Stock Fund, Inc., reporting for the nine months ending Aug. 31, announces that net assets per share increased from $11.09 to $14.44 over the past year. The latter figure includes an 11¢ capital gains distribution paid in December. During the latest 12 months, shareholders increased from 63,741 to 80,529 and shares outstanding from 16,715,023 to 20,755.738. As of Aug. 31, net assets amounted to $299,686,822.

New purchases consisted of AMP, Inc., Eastman Kodak, Litton Industries, Moore Corp., Ltd. and Owens-Corning Fiberglas Co. Holdings were increased in Aluminium, Aluminum Co. of America, Continental Casualty, Great Western Financial, Gulf States Utilities, Household Finance, Kerr-McGee Oil, Eli Lilly and Co., Louisiana Land & Exploration, McDermott (J. Ray) & Co., Philips' Lamp, Republic Natural Gas, Robertshaw-Fulton Controls, Schering Corp., Scott Paper, Southern Co., Texas Instruments, Texas Natural Gasoline Corp., United-Carr Fastener, Upjohn Co., and S. D. Warren Co.

Eliminated from portfolio were Ford Motor of Canada "A," Pan American World Airways Rights and Raytheon Co. Holdings decreased were in Allegheny Ludlum Steel, American-Marietta, Mead Johnson & Co., Minerals & Chemicals Corp. of America, Pfizer (Chas.) & Co., and Union Oil & Gas Corp. of Louisiana.

The major industry holdings: petroleum, 16.7%; drugs and medical, 11.4%; electrical and electronics, 8.7%; insurance, 7.7%, and business machines, 7.3%. Largest individual common stock commitments: International Business Machines, Minnesota Mining & Manufacturing, Florida Power & Light, Reynolds Metals, Louisiana Land & Exploration and Texas Instruments.

* * *

Supervised Shares, Inc. has increased its holdings of General Dynamics, P. Lorillard Co. and Montgomery Ward & Co., decreased its investment in American Machine & Foundry, Standard Oil of New Jersey and Liggett & Myers Tobacco. Directors have approved the purchase of Outdoor Advertising Co. and Champion Paper.

* * *

Samuel R. Campbell has been elected President of **Institutional Shares, Ltd.** and **Institutional Income Fund, Inc.,** succeeding Emlen S. Hare, who has been named Chairman of the Boards of Directors of the funds. At the same time, Leichester W. Fisher was chosen Vice-President. Both Mr. Campbell and Mr. Fisher will continue as President and Vice-President, respectively, of **Van Strum & Towne, Inc.,** investment counsel to the funds.

* * *

New commitments in Imperial Chemical Industries, Ltd., Unilever, N. V., and Farbenfabriken Bayer A G were disclosed by **International Resources Fund, Inc.** in its report for the quarter ended Aug. 31. During the latest nine months, the fund's net assets decreased from $18,828,728 to $18,425,846 and its shares outstanding declined from 4,602,398 to 3,934,370, but assets per share gained by 14.4%, from $4.09 to $4.68.

Predominant industry holdings were iron ore and steel, 18.44%; gold and uranium, 15.63%, and oil and natural gas, 10.35%. Major investments in individual securities: McLouth Steel Corp., Sabre-Pinon Corp., Kaiser Steel 5¾% cumulative convertible preferred, Ford Motor Company, Ltd., and Colvilles Ltd. 6% convertible debentures 1978-81.

* * *

Income Foundation Fund, a balanced mutual fund, has replaced most of its bond holdings with prime short-term commercial paper yielding better than 4% and maturing before the close of the year. After selling $1.5 million in bonds during the July rally, the fund purchased $1.6 million in prime commercial paper in August. According to John F. Donahue, President, the shift was made to give the fund more flexibility in the event of a decline in stock prices and at the same time provide a floor under the fund's fixed income investment.

* * *

During the quarter ended Aug. 31, **General Securities Inc.** added Leeds & Northrup Co., San Diego Imperial Corp., Upjohn Co. and Canada Southern Petroleum to its portfolio and increased existent holdings of Lithium Corp. of America and Pacific Petroleums, Ltd., 5% convertible debentures 1977. Total assets at the end of the period came to $1,627,233. Largest industry investments: electronics and electrical equipment, 21.42%; petroleum and related equipment, 16.58%, and metals and metal fabrication, 16.54%. Biggest individual commitments: Molybdenum Corp. of America, Texas Instruments, Philips' Lamp, Kawneer & Co., and American Motors.

* * *

Delaware Income Fund reports a 50% increase in total net assets over the past 12 months to a record high of $4,974,380 on Aug. 31. During the same period, assets per share grew from $8.86 to $10.66 and shares outstanding increased from 373,618 to 466.618. The assets breakdown: 62.33% common stock, 21.99% bonds, 13.14% preferred stock and 2.54% cash and receivables. Industry holdings by percentage of total resources: machinery, 11.39%; building, 11.32%; railroad, 10.32%; steel, 9.40%; entertainment, 7.90%; household, 6.83%; shipping and shipbuilding, 6.05%; automotive, 4.41%; retail, 2.83%, and tobacco, 2.21%.

* * *

American Business Shares, Inc. boosted its net asset per share from $4.25 to $4.48 during the nine months ended Aug. 31, according to the fund's 108th quarterly report. The latest per share figure includes an 8¢ capital gains distribution paid in December. At the end of the period, total net assets came to $27,030,813.

Added to portfolio during the quarter were American Insurance Co. (Newark), Bank of America N. T. & S. A., Cleveland Electric Illuminating Co., First National City Bank (N. Y.), Ford Motor, Hanover Bank (New York) and Morgan Guaranty Trust Co. Eliminated were Colgate-Palmolive Co., Liggett & Myers Tobacco, Northern States Power Co. (Minn.), Radio Corp. of America, Rochester Gas & Electric Corp., and Gas Service Co. 3¾%, 1971, bonds.

As of Aug. 31, the fund had 55.59% of its resources invested in common stock, 24.05% in corporate bonds, 10.86% in U. S. Government bonds and 7.94% in preferred stock. Leading industry holdings: electric light and power, 13.84%; banking, 11.72%, and tobacco, 10.36%. Biggest individual common stock holdings: Montgomery Ward, R. J. Reynolds Tobacco and American Tobacco.

* * *

Shareholders of **Fundamental Investors, Inc.** have approved a two-for-one stock split. This is the third time since 1946 that the fund's stock has been split, the last occasion having been in November, 1954.

N.A.I.C. Re-Elects Anderson President

Herbert R. Anderson, President of Group Securities, Inc., has been re-elected President of the National Association of Investment Companies, it has been announced.

Herbert R. Anderson

His new term of office begins Oct. 1 and runs for one year.

The National Association of Investment Companies represents 155 open-end investment companies (mutual funds) and 24 closed-end investment companies with combined assets of approximately $17 billion.

New Walston Office

CHICO, Calif.—Walston & Co., Inc. has opened an office at 2122 Moreland Drive. Robert W. Schilk is the firm's representative.

Eastland, Douglass Adds

(Special to The Financial Chronicle)

SAN FRANCISCO, Calif.—Nathaniel C. Berkowitz and Louis Janin have been added to the staff of Eastland, Douglass & Co., Inc., 465 California Street.

Jamieson Adds

(Special to The Financial Chronicle)

MINNEAPOLIS, Minn.—Albert Thorpe Jr. has been added to the staff of Jamieson & Co., First National Soo Line Building.

The Security I Like Best

Continued from page 2

have been excellent, as shown below:

	Estimated Gas Reserves
Jan. 1956	108,000,000 Mcf
Jan. 1958	145,000,000 Mcf
Jan. 1959	185,500,000 Mcf

	Estimated Liquid Reserves
Jan. 1956	not available
Jan. 1958	6,550,000 bbls.
Jan. 1959	7,200,000 bbls.

It appears likely that reserves will continue to climb, as discussed below.

Asset Value

The company operates a modern, highly efficient gasoline plant at Dubach, La., in which it owns a one-half interest, and in addition, earns a part of every barrel of petroleum products produced as a fee for operating the plant. The plant is a substantial contributor to revenues and earnings and is a valuable asset, but in the below appraisal is carried at approximate depreciated book value.

The weighted average of the company's gas contracts during the year 1958 was approximately 12.05 cents per mcf, should shortly raise to approximately 13 cents, and within a couple of years, perhaps 14 or 15 cents. The present value of these reserves using a discount factor of 6% is around 7½ cents per mcf based on the lower weighted average and approximately 9 cents based on the higher. Five cents per mcf and $1 for oil are arbitrary values sometimes used. Thus we obtain a range of value as follows:

Gasoline plant, est. book val., December 1958	$1,500,000
Working capital	509,000
Gas reserves, 185,500,000 mcf—Present value at 5c	9,275,000
Petroleum liquids 7,200,000 bbls. at $1	7,200,000
Less long-term debt	1,373,313
Indicated asset value	$17,110,687
Per share	$15.30
Using 7½c for gas	$19.45
Using 9c for gas	$21.94

Financial Background

The policy of Southwest Gas Producing is to plow back a large part of earnings into the hunt for new reserves. In this way Federal income taxes are nominal, and individual stockholders benefit from seeing their investment enhanced if the exploration is successful. A rather good idea of how well the policy has paid off can be obtained from analyzing figures in the 1958 annual report. 1958 dry hole, productive wells, and lease costs totaled $2,196,000. At 5 cents present value for gas and $1 for oil, the addition to reserves in 1958 added $2,725,000 to the value of the company plus the value of untested leases. Using 9-cent gas, a more reasonable figure since *new* gas reserves bring up to 21 cents contract price, the added value was $4,345,000. Thus the stockholders spent roughly $2,196,000 to gain from $2,725,000 to $4,345,000 in added value.

Because of this policy, reported earnings will be small and cash dividends will be held to a minimum. So far only stock dividends have been paid. To appraise accurately the financial history of the company and to compare with other similar companies, cash flow should be used.

Current Outlook

Cash flow for the first six months of 1959 will probably be slightly less than that of the 1958 corresponding period. Reported net income may be considerably lower because of a very active drilling program and consequent charge-offs. Additional revenues began to flow into the company's coffers in May from the Jeanerette gas field in Southern Louisiana. New developments discussed below will also add to last half revenues. The outlook, therefore, seems to be that Southwest Gas will have a higher cash flow the latter six months of the year. Beginning in early 1960, two unconnected gas wells at South Rayne, La., and three gas wells at North Starks, La., might have an established market and contribute to revenues.

Hico Field

Late in 1958 the company discovered that additional reserves of gas lay behind the pipe in a field in which the company has long had production, the Hico Field of Northern Louisiana. A market for the gas exists, and the production is dedicated to Texas Eastern Transmission.

Summary of Recent Drilling Activity

(1) 12,500 ft. exploratory well in Mississippi—50% owned—was spudded July 22.

(2) Three oil wells in Mississippi — 100% owned — completed on recent discovery. Two more developments wells may be drilled here soon. Southwest Gas has over 30,000 acres in Mississippi.

(3) 13,000 ft. exploratory well—25% owned—is now drilling below 11,000 ft. in the North Starks area of Southern Louisiana.

(4) Development well to 6,600 ft. will be started in the North Starks field soon.

(5) 13,000 ft. exploratory well—one-third owned—was started on the Merryville prospect in Southern Louisiana July 13.

(6) A 50%-owned exploratory well is now drilling below 10,000 ft. in the Port Barre area in Southern Louisiana.

(7) A 50%-owned exploratory well to 9,200 ft. on the West Chalkley prospect in Southern Louisiana was abandoned as dry July 13.

(8) Four wells will be recompleted in the Hico field in the new Hosston Sands and one recompleted well has been producing since August.

(9) An offset well in the very rich Calhoun gas field of North Louisiana will be started soon.

During the fourth quarter virtually all drilling funds will be channeled into the Hico field development. The investment here is expected to be repaid in less than one year and will almost certainly add to the reserves to be reported in the 1959 annual report. Thus, even if the exploratory wells now drilling do not find oil or gas, the company will be able to report another year in which reserves climbed.

Conclusion

Investors seem to be ignoring the great progress made by Southwest Gas Producing in the last two years. There is increasing recognition of the fact that economics in the gas business are considerably better than oil, and the company seems in fine position with its large gas reserves and active drilling program in an area noted for large gas finds and ready market for new reserves found. Sophisticated investors who like the principle of low reported earnings and large plowback as a means of obtaining possible capital enhancement should find the stock of Southwest Gas Producing interesting at this time.

Brief Financial History

CAPITALIZATION

Long-term debt ... $1,323,000
Com. stock outstdg. *1,117,712 shs.

*60% owned by Commonwealth Gas.

	Earnings per share	Cash flow per share*
1958	$.38	$1.86
1957	.46	1.96
1956	.42	1.72
1955	.04	1.44
1954	.47	1.61
1953	.46	1.91
1952	.71	1.79

*Net income plus depreciation, depletion, exploration costs.

	Dividends	Price Range
1958	-------	13 - 9½
1957	4% stk.	9¼ - 6
1956	nil	10¼ - 5¾
1955	4% stk.	12½ - 7¾
1954	4% stk.	13¾ - 8¼
1953	4% stk.	23½ - 12½
1952	nil	27¼ - 18⅞

Southern Calif. Gas Co. Bonds Being Offered

Public offering of $30,000,000 Southern California Gas Co. 5⅜% first mortgage bonds due 1984 was made on Sept. 30 by an underwriting group headed jointly by Blyth & Co., Inc. and Merrill Lynch, Pierce, Fenner & Smith Inc. The bonds are priced at 101.729% to yield 5¼% to maturity.

The issue was awarded to the group at competitive sale on Sept. 29 on its bid of 101.039 for the indicated coupon.

The new bonds are subject to redemption at prices ranging from 106.73% to the principal amount. They are also redeemable under a sinking fund and renewal fund at 101.73%.

Proceeds from the sale will be used to repay the company's short-term indebtedness to its parent, Pacific Lighting Corp., and to finance in part the company's construction program. The company expects that gross plant additions for the year 1959 will total about $29,700,000 and about $41,400,000 for 1960.

The company purchases, distributes and sells natural gas in the counties of Los Angeles, San Bernardino, Ventura, Kern, Riverside, and certain other counties in central and southern California. All gas consumers in Los Angeles are served by the company and an affiliate. For the 12 months ended June 30, 1959 total revenues were $205,330,957 and total income before interest charges and other income deductions was $21,688,392 compared with $204,480,837 and $23,202,734 for the 1958 calendar year.

Capitalization of the company at June 30, 1959 consisted of $165,893,000 of mortgage bonds, 991,494 shares of preferred stock and 6,000,000 shares of common stock.

Join Midland Inv. Co.

(Special to THE FINANCIAL CHRONICLE)

COLUMBUS, Ohio—Delbert R. Dillon and John D. Igoe are now connected with Midland Investors Company, 1286 West Lane Avenue.

With Taylor Inv.

(Special to THE FINANCIAL CHRONICLE)

KINSTON, N. C.—John I. Elmore has become affiliated with Taylor Investment Company, 1105 Oriental Avenue.

Joins Walston & Co.

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, Oreg. — Walter P. Rossmann has joined the staff of Walston & Co., Inc., 901 S. W. Washington Street.

Joins Harris, Upham

(Special to THE FINANCIAL CHRONICLE)

OMAHA, Neb. — William G. Phillips, Jr. has become connected with Harris, Upham & Co., 1904 Farnam Street.

Now Corporation

The investment business of A. J. Frederick Co., 37 Wall Street, New York City, is now being conducted as A. J. Frederick Co., Inc.

John A. Milburn

John A. Milburn, partner in Hecker & Co., Philadelphia, passed away Sept. 19.

Public Utility Securities

BY OWEN ELY

Montana-Dakota Utilities Company

Montana-Dakota Utilities, with annual revenues of about $28 million, does a combined gas and electric business in Montana, North and South Dakota and Wyoming. Some 246 communities are served, the total area population being 233,000. The territory is mainly devoted to copper and zinc mining and refining, development of oil and gas in the Williston Basin area, and farming and livestock raising. There is comparatively little manufacturing industry.

A large air and missile base in South Dakota now takes some $400,000 of gas per annum for heating and other uses; two large jet air defense bases are also under construction which may use some $450,000 of gas. Other radar monitoring and warning type bases connected with the long-range defense program will also use substantial amounts of electricity and gas.

The area is becoming more diversified, although the production and processing of food remain important. The rapidly expanding tourist business has contributed substantially to the economy of the region. The favorable crop and livestock situation, coupled with the program of oil development and continued activity on the Federal Government's numerous water resources projects, provided stability in the area's economy last year so that the general effects of the recession in the first half were much less severe than in the more industrialized parts of the country.

Gas provides about 55% of the company's revenues and electricity 45%. Residential sales contribute 50% of gas revenues, commercial 27%, industrial 16%, and wholesale and interdepartmental business the remaining 7%. Of the electric revenues, residential and farm sales account for 45%, commercial and industrial 51%, and municipal and wholesale 4%.

The company's electric properties are interconnected except for a small section of Wyoming. Last year the company produced 68% of its electric output, purchasing the remainder from the Bureau of Reclamation which obtains power from the Fort Peck and Garrison Dams on the Missouri River. However, with the completion of two strategically located, efficient steam generating plants, the company is now virtually independent of government power, and during the first half of 1959 it produced 81% of its own requirements. But, it still maintains a power interchange set-up with the Bureau and at times buys substantial amounts of secondary and surplus power. The new steam plants are supplied with lignite coal from nearby strip mines owned by the company's subsidiary, Knife River Coal Mining Co.

Construction expenditures for 1959 will approximate $6,000,000, compared with an average budget of about $10,700,000 annually for the past six or seven years. The 1960 construction budget will not exceed $7,500,000. This program will be financed through internally generated funds and bank loans. Looking ahead and projecting cash flow and construction requirements for the next several years, it is anticipated that accumulated new money requirements will be in the range of $10,000,000 by mid or late 1961. Market conditions permitting, the company will probably sell equity securities or convertibles at that time.

An important factor in the company's earnings is the income from non-utility sources—coal and oil production. Some 150 oil and gas fields have been discovered in the Williston and Big Horn basins and adjacent areas since 1951. Annual oil production in the company's area has increased during this period from 22½ million barrels to 73½ million barrels. In addition to oil production, refineries operated by Standard of Indiana, Carter, Continental, Farmers Union and Westland Oil have been (or are being) enlarged and modernized. Much of the available producible reserves is currently being withheld from market through lack of economical transportation facilities or because of current unfavorable market conditions.

The company's leasehold and operating agreement holdings in the Williston Basin comprise 261,353 acres, including extensive holdings in the Cedar Creek anticline of southeastern Montana under operating agreement with Shell Oil, and in North Dakota operated by Carter Oil. The company's net interest in oil reserves in the Cedar Creek anticline was estimated at 9,500,000 barrels about a year ago. It has no present plans to spin off its oil properties, according to the management.

This year the company received its first income from oil production under its agreement with Shell Oil. For the 12 months ended June 30, outside income totaled $426,000 which was reduced by applicable expenses and taxes to $250,000. However, for the full year 1959 the company expects this income to increase to $900,000 gross and about $500,000 net, equal to 25 cents a share. Oil income next year may increase to 35-40 cents it is estimated.

Dividend income from coal mining operations of the wholly owned subsidiary, Knife River Coal Mining Co., will total approximately $70,000 this year. The coal company's operations are increasing and will approximate $200,000 this year; however, the company has substantial obligations owing to Montana-Dakota for new equipment and mine development, and dividends will be curtailed until obligations to the parent company have been substantially reduced.

The company has been trying to obtain increased rates. It obtained increases in electric rates from the Montana Commission May 15 this year, and has also been collecting increased electric revenues under bond in North Dakota since January, 1958. The North Dakota rate matter is pending on appeal to the State Supreme Court, and a decision is expected shortly. Earnings for the calendar year are estimated at around $1.75. The dividend of $1 per share is only 57% of current earnings and if a favorable rate decision is received, an increase would seem possible.

The Prudent Banker Prefers In and Out-of-State Mortgages

Continued from page 15

diphtheria and small-pox, we have also largely conquered the scourge of unemployment and declining property values arising, not from decline of population and consequent lack of need for housing, but from foreclosures and distress sales. Our government has promised full employment in the Employment Act of 1946 and if this promise is to be kept, then our mortgages must all have acquired some of the qualities of our government bonds.

But, we need not even speculate on the fortunes of the average mortgagor—although I would contend that he is sheltered from the rains of adversity by the same umbrella that protects mortgagors under government sponsored programs. We can have mortgages which are insured by the Federal Housing Authority or guaranteed by the Veteran's Administration, and each passing year seems to prove that the holders of these government-protected investments fare far better than the holders of direct government bonds. In a sense, they are government bonds. They are sold at varying discounts and have a good market with regularly quoted prices.

While it may be unfortunate that housing, like cotton or wheat farming, has become an object of government subsidy, it is none the less true that the lobbies of home builders, veterans, and mortgage companies have firmly entrenched into our economy the government-sheltered FHA and VA loans. They are not only here to stay, but they have an elaborate price support mechanism through the secondary market operations of the Federal National Mortgage Association. They receive almost yearly aid and adjustment through the Housing Acts which claim so much Congressional attention each year.

I hasten to warn that FHA and VA programs were not set up to please banks or bankers. The programs were set up to please voters and the banks are only the indirect beneficiaries of the national concern with housing. Believe me, I have not yet heard of any programs to subsidize savings banks! It seems indisputable that these new amortized and insured loans are the present day best investment of prudent bankers. They have little or no relationship to the short-term, unamortized, and uninsured loans that brought the banks so much trouble in the 30's.

Highest Net Risk-Free Yield

They offer the highest net risk-free yield — from ½% to 1½% higher than competing investments. I have heard bond-minded trustees stating their opinion that they preferred bonds where the yield differential to mortgages was only 1%. Do these trustees stop to think that you can run the whole bank, rent, salaries, supplies and all the rest for not much over ½%? Do these trustees know that millions of dollars have passed from one bank to another on a dividend differential for only one or two interest periods of ½%? Probably, they insist upon rigid economy in bank salaries and expenses, yet they will direct the purchase of bonds running for 15 years at 1% less return than they might have received from government guaranteed loans. I am afraid that savings banking is too competitive an undertaking today to permit such sacrifice of possible income. It will be said by some that mortgages are expensive to acquire and service. I offer the retort courteous that savings accounts are expensive to acquire and service too. Many banks will calculate and pay interest twice a year on hundreds of accounts with balances under $100. After 150 years of experience and mechanization, the savings banks have acquired extraordinary efficiency in handling small thrift accounts. Can anyone suggest any institution that would be better equipped to originate and service small mortgages? Obviously, our savings banks are superbly efficient mortgage banks as well. I do not know what percentage costs would have to be ascribed to a bond account, but I can state confidently that not over ¼% should cover all expenses of a diversified and well-run mortgage account, and even less if the loans are purchased.

Perhaps the greatest advantage of mortgages in recent years—and I will surprise some when I say this—is their liquidity. Studies have shown that a diversified mortgage portfolio will "turn over" every eight to twelve years and will contribute cash return of capital of from 8% to 15% or more each year for liquidity needs or reinvestment. Part of this money is amortization, which flows in regularly each month, but an even greater flow comes from the normal human tides of promotion, increased family, death, decreased family, retirement, etc., that cause families to move from one house to another with almost predictable periodicity. Unlike bond money which is committed at fixed rates for long periods ahead, mortgage money flows back for reinvestment almost from the day of first commitment. Its cycle is nearly identical with the cycle of savings, an advantage in itself, but the chief advantage has been the opportunity afforded to reinvest a portion of the bank's old deposits at constantly increasing rates of interest and hence to permit the banks to stay competitive.

Cites Bogen and Nadler Study

Many excellent studies have been done on mortgages as investments. One of the most recent and authoritative was published by Dean G. Rowland Collins and Professor Jules I. Bogen of the Graduate School of Business Administration, New York University, entitled, The Investment Status of FHA and VA Mortgages." This excellent study may be purchased from the University and should be required reading for any savings bank officers or trustees who have any doubts on this subject, that have not already been removed as a result of this talk. I shyly admit to being the author of a rather widely distributed article, "Why Invest in Out-of-State Mortgage Loans?" This is now out of print, but I will be happy to send copies to any interested banker who will write to me. There is still time to consider and to act. No one has lost out too badly by delay, as yet, but it is necessary for our prudent men not to put off too long joining the company of other prudent men.

I would hope that all our savings bankers would lean over backwards to promote good new housing. It is my belief that much undeveloped opportunity still exists in this direction. I would hope that all would take full advantage of the FHA and VA programs. But, if you have reasons not to originate your own loans, you may still purchase all you require at good yields and from trustworthy servicers. If you have the confidence to go far from home, you will be proportionately more generously rewarded.

We have strayed away from our prudent man theme, but I am sure that our prudent banker today is an expert originator and buyer of mortgages, that he has confidence in the qualities of this investment, and that he is delighted to find that a security of this quality and maturity yields more rather than less than corporate bonds. If he had prejudices against mortgages, he has been willing to put them aside. If mortgages are somewhat more troublesome than cutting coupons on bonds, he has been willing to undertake this trouble the better to serve his bank, his depositors, and his community.

Paraphrasing for my purposes a saying by Confucius — "An imprudent man sees difficulties in opportunity; a prudent man sees opportunity in difficulties." And again from Polonius—"Be not the first by whom the new is tried, nor yet the last to lay the old aside." With Polonius, Confucius, and Justice Putnam on your side, how can anyone lack courage to join the company of prudent bankers?

General Contract Finance Corp. Pfd. Stock Now Offered

G. H. Walker & Co., of St. Louis, Mo., headed an underwriting syndicate on Sept. 30 which publicly offered 200,000 shares of 5½% convertible preferred stock, series A at par ($20 per share) of General Contract Finance Corp.

The company was organized in October, 1958 for the purpose of acquiring from General Bancshares Corp. (formerly General Contract Corp.) all of the directly held shares of stock owned by Bancshares in its non-banking subsidiaries of which Bancshares was to divest itself of ownership pursuant to provisions of the Bank Holding Company Act of 1956. At the close of business Dec. 31, 1958, Bancshares transferred to the company all shares of stock owned by Bancshares in its 22 non-banking subsidiaries, consisting of loan, finance, insurance companies and insurance agencies. In consideration therefor the company issued to Bancshares 2,327,544.3 shares of its $2 par common stock. The company participates through its subsidiaries in the purchase of installment obligations (principally on the sale of cars, mobile homes, farm implements, etc.); lending of money to dealers to finance the purchase of automobiles; the operation of insurance companies (chiefly engaged in insuring against risks of loss or damage to automobiles and damage to buildings); and the operation of a credit life and disability insurance company.

Net proceeds of the preferred stock sale will be used to aid in the expansion of the company's loan and finance company subsidiaries.

With Smith, Clanton

(Special to The Financial Chronicle)

GREENSBORO, N. C.—Clarence D. Goldsmith is now with Smith, Clanton & Co., Southeastern Bldg.

With Brown, Madeira

(Special to The Financial Chronicle)

STELLA, N. C.—George E. Fee, Jr. is now affiliated with Brown, Madeira & Company of New York.

Louis J. Liebenguth

Louis G. Liebenguth, associated with Spencer Trask & Co., New York City, passed away Sept. 13 at the age of 67 following a brief illness.

May Adds to Staff

(Special to The Financial Chronicle)

PORTLAND, Ore. — Lloyd Detlofsen has been added to the staff of May & Co., 618 Southwest Yamhill Street.

The State of Trade and Industry

Continued from page 4

foreign outlets are sold out months ahead and any orders placed can not be counted on to ease the strike-created shortage.

Looking ahead to the probable T-H use, "The Iron Age" reports that some steel executives are concerned about the "last offer" aspect of the act. (If there is no settlement 60 days after the injunction, the last offer by the companies must be readied for a secret vote among steel workers.)

Some executives admit that putting the eight points of contract language modifications, along with the explosive local practices clause, onto the ballot would be a tricky problem.

Scramble for Steel Mounts in Intensity

The scramble for steel is on and will continue to intensify until several weeks after the mills reopen, "Steel" magazine reported Sept. 28.

Steel consumers are scouring the country for badly needed sheets, plates, bars, and structurals. They're paying premium prices, absorbing extra freight, signing costly conversion contracts —doing whatever is necessary to stay in business. Unless they find what they need, they will have to cut production or shut down

As the steel strike drags through its eleventh week, signs mount that it will cost additional hundreds of thousands of workers in supporting industries their pay checks. Hundreds of steel using plants will be closed for lack of material.

The metalworking weekly said direct steel losses alone now amount to almost $4 billion through lost steelworker wages ($780,000,000), lost sales ($2,268,000,000), other losses ($432,000,000), and tax losses to U. S. ($495,000,000).

"Steel" said to look for Taft-Hartley to be invoked sometime between Oct. 1 and 15 to get striking steelworkers back in the mills.

The strike has sent Canada to new steel sources, the magazine reported. Canada, which imports about 1 million tons of finished steel annually (60% of it normally from U. S. mills), is turning to European and Japanese suppliers.

U. S. producers now wonder whether they'll regain their Canadian customers after the strike is settled. A permanent loss of the Canadian export market means a corresponding permanent loss of U. S. steelworkers' jobs.

Steelmen are also considering with increasing alarm the possibility of an iron ore shortage, "Steel" said. Only 37 ore carriers out of a lake fleet of 243 vessels are moving Lake Superior ore. Just a trickle of ore (797,979 gross tons in August vs. almost 13 million tons in June) is moving down the lake.

Steelmakers will barely scrape through spring production if:

(1) The steel strike ends about Oct. 1.
(2) Lake vessels resume shipping quickly.
(3) December weather permits ore shipping.
(4) Eastern stevedores, handling foreign ore, don't strike.
(5) Rail labor doesn't halt traffic with strikes.

Last week, "Steel's" scrap price composite, based on No. 1 Production was about 354,000 ingot tons.

Last week, steelmaking operations held at 12.5% of capacity. heavy smelting grade at Pittsburgh, Chicago, and eastern Pennsylvania, held steady at $41 a gross ton. A heavy poststrike movement is expected.

Traffic through the St. Lawrence River (Montreal to Lake Ontario) thus far in the 1959 shipping season is nearly 50% higher than it was in the same period last year. Some sources fear the seaway will be of greatest benefit to foreign interests. This year's statistics do not dispel their anxiety. Upbound tonnage is up 77%, while downbound tonnage is only 32% over 1958's.

Electric Output 4.3% Above 1958 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, Sept. 26, was estimated at 12,878,000,000 kwh., according to the Edison Electric Institute. Output increased by 99,000,000 kwh. above that of the previous week's total of 12,779,000,000 kwh. and showed a gain of 536,000,000 kwh., or 4.3% above that of the comparable 1958 week.

Steel Strike Hits Auto Sales

The auto makers explained away the rather dismal Sept. 1-10 new car sales with the Labor Day weekend plus after-effects of Aug. 31 dealer contest closeouts. Now a still lower sales total for Sept. 11-20 is being described in terms of the impact of the steel strike on the U. S. economy, according to "Ward's Automotive Reports."

The 111,156 new cars retailed Sept. 11-20 resulted in a daily average that ran 2.5% under 14,263 for Sept. 1-10 and dropped the month's first 20 days 20% under like August. A decline of 10% below last month had been anticipated.

A bright-side interpretation of the sales slowdown puts the dealer new car inventory in early October at about 650,000 units, including a nearly equal number of 1959 models and 1960 models.

This would mean a not overly burdensome amount of 1959's and a good bulwark of selling merchandise in general should the steel strike (now 10-weeks old) curtail auto shipments from the assembly plants. Hopes had been to pare the 1959 model stockpile on Oct. 1 closer to 300,000 instead of the anticipated 345,000.

The new car inventory dropped to 595,000 on Sept. 20, the count consisting of an estimated 116,000 of the 1960 and 470,000 of the 1959 models. Another 135,000 sales Sept. 21-31 would pare the old model stockpile to about 345,000 as October opens.

Observers say that impact of the steel strike is now being told in reduced new car purchasing; but they admit that advanced notice of a "stand pat" policy in 1960 model pricing plus the customary seasonal decline in September buying also are factors.

Based upon present trends, Ford September sales are expected to edge Chevrolet but the increment is not expected to seriously narrow Chevy's lead. What could hurt Chevrolet is an assembly shut down due to the steel strike; Ford, on that basis, claims an ability to out-produce Chevy in the fourth quarter due to a superior steel inventory-production position.

"Ward's" reports passenger car production in U. S. plants for week ended Sept. 26 totaled 88,906 cars, comparing with 42,599 in the Sept. 27, 1958 week. In the first eight months of 1959,

4,078,210 units were produced, which compares with 2,743,820 for the same period in 1958.

Truck operations totaled 21,507 for Sept. 26 week, contrasting with 14,314 units in the same week a year ago. Output in the first eight months of 1959 totaled 823,490, as against 563,478 for same period in 1958.

Steel Output Based on 12.9% of Capacity

The American Iron and Steel Institute announced that the operating rate of the steel companies will average*22.7% of steel capacity for the week beginning Sept. 28, equivalent to 365,000 tons of ingot and steel castings (based on average weekly production of 1947-49) as compared with an actual rate of 22.5% of capacity and 362,000 tons a week ago. [ED. NOTE: A strike in the steel industry began Wednesday, July 15.]

Actual output for the week beginning Sept. 21 was equal to 12.8% of the utilization of the Jan. 1, 1959 annual capacity of 147,633,670 net tons. Estimated percentage for this week's forecast is 12.9%.

A month ago the operating rate (based on 1947-49 weekly production) was *20.7% and production 332,000 tons. A year ago the actual weekly production was placed at 1,901,000 tons, or *118.3%.

*Index of production is based on average weekly production for 1947-49.

Car Loadings Down 13.4% from 1958 Week

Loading of revenue freight for the week ended Sept. 19, 1959, totaled 578,240 cars, the Association of American Railroads announced. This was a decrease of 89,520 cars or 13.4% below the corresponding week in 1958, and a decrease of 146,694 cars or 20.2% below the corresponding week in 1957.

Loadings in the week of Sept 19, were 97,593 cars or 20.3% above the preceding holiday week. It is estimated that about 165,000 additional cars would have been loaded in the current week if there had been no steel strike. Based on these week to week estimates the cumulative loss is now approximately 1,500,000 cars.

Intercity Truck Tonnage 17.4% Above 1958 Week

Intercity truck tonnage in the week ended Sept. 19, was 17.4% ahead of the corresponding week of 1958, the American Trucking Associations, Inc., announced. However, the increased tonnage is influenced by the work stoppage in Western States during part of the comparable week last year. Rebounding from the Labor Day holiday, truck tonnage was 19.6% ahead of that of the previous week of this year.

These findings are based on the weekly survey of 34 metropolitan areas conducted by the ATA Research Department. The report reflects tonnage handled at over 400 truck terminals of common carriers of general freight throughout the country.

Business Failures Up Moderately for Week Ended Sept. 24

Commercial and industrial failures climbed to 282 in the week ended Sept. 24 from the 264 of the previous week, reported Dun & Bradstreet, Inc. Casualties were moderately higher than a year ago when 268 occurred, and were slightly above the 278 of the similar 1957 week. There was an increase of 7% over the 264 of the similar period of prewar 1939.

Liabilities of $5,000 or more were incurred by 247 of the week's casualties, compared with 223 a week earlier and 234 a year ago. Smaller failures, those involving liabilities under $5,000 declined somewhat to 35 from 41 in the prior week, but edged up over the 34 of last year. Thirty-three of the failing concerns had liabilities in excess of $100,000 as compared with 20 a week earlier.

Tolls were higher in three of the industry and trade groups. There was an increase to 30 from 25 in wholesaling, to 136 from 130 in retailing, and to 60 from 35 in construction, but declines were reported in manufacturing, down to 39 from 51, and in commercial service, down to 17 from 23. Year-to-year increases occurred in wholesaling, retailing, and construction, while declines prevailed in manufacturing and commercial service.

In five of the nine major geographic regions, increases occurred from the prior week. The most noticeable rises occurred in the West South Central, Pacific, and South Atlantic States. In contrast, casualties slipped in the East North Central, West North Central, and Mountain Regions. Failures were above a year ago in the Middle Atlantic States, up to 89 from 84, in the East North Central States, up to 43 from 35, in the South Atlantic States up to 28 from 19, and in the Pacific States up to 72 from 66. Year-to-year declines prevailed in New England States, down to 17 from 18, in the West North Central States, down to 6 from 7, in the East South Central States, down to 3 from 9, in the West South Central States, to 21 from 24, and in the Mountain States, down to 3 from 6.

Wholesale Food Price Index Dips to 1959 Low

The Wholesale Food Price Index, compiled by Dun & Bradstreet, Inc., dipped moderately on Sept. 22 to hit the 1959 low of $5.93 set on Aug. 11. There was a decline of 0.8% from the $5.98 of the prior week and a drop of 8.6% from the $6.49 of the corresponding date a year ago.

Higher in wholesale cost this week were oats, butter, eggs, and hogs. The list of declines included flour, corn, rye bellies, lard, cheese, coffee, cottonseed oil, cocoa, potatoes, rice and steers.

The Index represents the sum total of the price per pound of 31 raw food stuffs and meats in general use. It is not a cost-of-living index. Its chief function is to show the general trend of food prices at the wholesale level.

Wholesale Commodity Price Index Slips in Latest Week

Reflecting lower prices on some grains, butter, hogs, and lambs, the general commodity price level slipped from a week earlier. The Daily Wholesale Commodity Price Index, compiled by Dun & Bradstreet, Inc., dipped to 277.23 (1930-32=100) on Sept. 28 from 277.73 in the prior week, and was slightly below the 277.91 of the corresponding date a year ago.

Although light offerings and high volume boosted wheat prices somewhat at the beginning of the week, they dipped appreciably at the end of the period. As the record new corn crop began to flow into the market, prices dipped noticeably; corn trading was close to the prior week.

Transactions in oats were close to a week earlier and prices were steady. A slight decline occurred in trading in rye and prices were down slightly. Soybean buying lagged during the week resulting in a fractional dip in prices.

Flour prices edged up somewhat during the week as both domestic and export buying expanded moderately. Purchases of rice climbed substantially holding prices at prior week levels. There was a market rise in the buying of rice by cereal manufacturers and export buying held at the level of the prior week.

Domestic sugar trading was strong last week and prices rose fractionally. Coffee prices were unchanged as purchases matched those of a week earlier. There was a slight decline in cocoa prices reflecting sluggish activity.

Heavier supplies and sluggish sales resulted in a slight dip in butter prices during the week. Trading in cheese was steady and prices were unchanged, but a sluggish call for eggs held prices slightly below the preceding week.

Although hog prices moved up somewhat at the end of the week they were appreciably below the prior week. The decline was due to increased receipts in Chicago and sluggish trade. Steer prices were steady this week as receipts and trading rose moderately. Salable supplies of lamb declined and prices were somewhat below a week earlier.

Price on the New York Cotton Exchange were unchanged from the prior week. Trading moved up at the beginning of the week, but receded at the end of the period. United States exports of cotton for the week ended last Tuesday were estimatd at 27,000 bales, compared with 33,000 the prior week and 71,000 in the similar week a year ago. For the season through last Tuesday exports came to about 189,000 bales, compared with 383,000 in the corresponding 1958 period.

Cool Weather Spurs Retail Sales

Clear cool weather over the week-end stimulated consumer buying in the week ended Sept. 23, offsetting the growing effects of the steel strike in some cities. Over-all retail trade was noticeable over a year ago. The most substantial gains occurred in back-to-school and women's Fall apparel, appliances, and furniture. Although volume in new passenger cars slipped from the prior week, sales remained well over a year ago, according to scattered reports.

The total dollar volume of retail trade in the week ended this Wednesday was 7% to 11% higher than a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from the comparable 1958 levels by the following percentages: East North Central +9 to +13; Middle Atlantic and Pacific Coast +8 to +12; South Atlantic and Mountain +6 to +10; West South Central +5 to +9; West North Central and New England +4 to +8; East South Central 0 to +4.

Attracted by sales promotions, shoppers stepped up their buying of children's back-to-school clothing, especially girls' dresses and skirts and boys' shirts and slacks. Increased volume in women's coats, suits, and dresses boosted over-all sales of women's apparel noticeably over last year; interest in accessories and sportswear lagged. The call for men's apparel showed appreciable year-to-year gains, with interest centered primarily in suits, slacks, and sports jackets.

There was a marked increase in sales of major appliances this week over both the prior period and a year ago; best-sellers were laundry equipment, television sets, and lamps. Consumers stepped up their purchases of occasional furniture, upholstered chairs and bedroom sets and appreciable year-to-year advances occurred. While interest in floor coverings and linens moderately exceeded that of a year ago, the buying of draperies remained close to the comparable 1958 level.

Retail food sales moved up slightly this week, with primary gains in fresh produce, dairy products, and fresh meat. Volume in poultry, canned goods, and frozen foods remained close to the preceding week.

Food buying at wholesale matched that of the prior week. Increases in sugar, rice, fresh meat, and fresh produce offset declines in frozen foods, flour, and baked goods. Sales of canned goods, poultry, and dairy products were steady.

Preparing for the Christmas selling season, buyers stepped up their orders this week for women's apparel, and volume was well over a year ago. Noticeable gains occurred in fur-trimmed cloth coats, suits, and dresses. While marked increases were reported in handbags and jewelry, wholesalers were a little disappointed in volume in other fashion accessories. There were some scattered re-orders for children's back-to-school apparel, and a marked rise occurred in new orders for juvenile merchandise suitable for holiday selling.

There was another rise this week in trading in print cloths and lawns boosting volume in over-all cotton gray goods moderately over a week earlier. Transactions in woolens, worsteds, and carpet wool remained sluggish in Philadelphia and Boston markets. Wholesalers of industrial fabrics and man-made fibers reported a sizable increase in trading. Incoming orders at dyeing and finishing plants in New England expanded moderately and further gains are anticipated in the coming weeks.

Furniture wholesalers in most primary markets reported an appreciable rise in the call for upholstered chairs and volume in case goods, bedding, and occasional tables and chairs was up moderately. Appliance sales, especially television sets, hi-fi sets, laundry equipment, and refrigerators, expanded noticeably, and manufacturers and dealers were becoming increasingly concerned over the effects of the steel strike on their stocks. Orders written at the Dallas Gift Show noticeably exceeded those of the similar event last year.

Nationwide Department Store Sales Up 16% for Sept. 19 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's Index for the week ended Sept. 19, increased 16% above the like period last year. In the preceding week, for Sept. 12, a decrease of 8% was reported. For the four weeks ended Sept. 19 a 5% increase was registered and for Jan. 1 to Sept. 19 an 8% increase was noted.

According to the Federal Reserve System department store sales in New York City for the week ended Sept. 19 increased 20% over the like period last year. In the preceding week Sept. 12 a 17% decrease was shown. For the four weeks ended Sept. 19 a 1% loss over the same period in 1958 was recorded and Jan. 1 to Sept. 19 showed a 3% increase.

Mrs. Dallas With DeHaven, Townsend

PHILADELPHIA, Pa.—DeHaven & Townsend, Crouter & Bodine, Land Title Building, members of the New York Stock Exchange and other leading exchanges, announce that Constance H. Dallas has become associated with their Philadelphia office as a registered representative.

Mrs. Dallas was a member of the Philadelphia City Council for four years, 1952-1956, representing the Eighth Councilmanic District. During that period Mrs. Dallas was Chairman of Council's committee of public health, Chairman of the public welfare committee and served on the finance committee. Mrs. Dallas is currently serving on the Commission on Human Relations.

U. S. Steel Corp. Secondary Completed

A secondary distribution of 300,000 shares of common stock (par $16⅔) of the U. S. Steel Corp. was made on Sept. 30 by Merrill Lynch, Pierce, Fenner & Smith Inc. and associates at $100.50 per share, with a dealer's concession of $1.10 per share. This offering was quickly completed, all of the said shares having been sold.

Federal Home Loan Banks Notes Being Offered

Public offering of $134,000,000 Federal Home Loan Banks 5.40% non-callable consolidated notes dated Oct. 15, 1959 and due July 15, 1960 was made on Sept. 30 by the Federal Home Loan Board through Everett Smith, Fiscal Agent of the Banks, and a group of securities dealers. The notes are priced at 100%.

Net proceeds from sale of the notes well be used to provide additional funds to member institutions of the Home Loan Bank System to meet the demand for mortgage money.

Upon issuance of the notes, outstanding indebtedness of the Home Loan Banks will aggregate $1,536,280,000.

Reynolds Acquires Corn, Schwarz & Co.

Reynolds & Co., 20 Broadway, New York City, members of the New York Stock Exchange, with 39 offices from coast-to-coast, has announced the acquisition of the business of the New York commodity brokerage firm of Corn, Schwarz & Co., established in 1890.

Edwin A. Binder, partner in Corn, Schwarz, has joined Reynolds as senior consultant in the firm's eastern commodity department. Mr. Binder has been active as a commodities broker for more than 50 years and has been connected with every phase of the business.

A native of Switzerland, Mr. Binder began in the business as a cotton broker in Liverpool, England, in 1906. He came to this country in 1911 and joined the firm of George F. Jones & Co. where he became a partner in 1922. In 1946, when Mr. Binder was senior partner in George F. Jones, the firm was merged into Corn, Schwarz & Co.

Merrill Lynch Adds

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, Ore.—David W. J. Paden has been added to the staff Merrill Lynch, Pierce, Fenner & Smith, Incorporated, Executive Building.

Securities Now in Registration

★ INDICATES ADDITIONS SINCE PREVIOUS ISSUE
● ITEMS REVISED

Acme Missiles & Construction Corp. (10/12)
July 24 filed 200,000 shares of common stock (par 25c), of which 150,000 shares will be offered for public sale for the account of the company, and 50,000 shares will be offered for the accounts of the present holders thereof. **Price**—$6 per share. **Proceeds**—For general corporate purposes, including additional personnel, office space, equipment, and the provision of funds necessary to compete for certain contracts. **Office**—2949 Long Beach Road, Oceanside, L. I., N. Y. **Underwriter** — Myron A. Lomasney & Co., New York.

AFCO Land Co.
Sept. 15 (letter of notification) 11,000 shares of preferred stock. **Price**—At par ($25 per share). **Proceeds**—To purchase commercial and industrial property and for working capital. **Office**—15th floor, Hoge Bldg., Seattle 4, Wash. **Underwriter**—None.

Airtronics International Corp. of Florida
Aug. 31 (letter of notification) 109,090 shares of common stock (par 10 cents). **Price**—$2.75 per share. **Proceeds**—To be used to pay off loan and increase working capital. **Office**—Fort Lauderdale, Fla. **Underwriter**—Frank B. Bateman, Ltd., Palm Beach, Fla.

Alaska Consolidated Oil Co., Inc.
Sept. 17 filed 3,000,000 shares of common stock (par five cents). **Price**—$2.50 per share. **Proceeds**—For further development and exploration of the oil and gas potential of the company's Alaska properties. **Office**—80 Wall St., New York. **Underwriter**—To be supplied by amendment. **Offering**—Expected in about six to eight weeks.

Alaska Mines & Metals Inc.
Feb. 25 filed 1,431,200 shares of common stock (par $1), of which 1,000,000 shares are to be offered publicly and 431,200 shares are to be reserved for sale to the holders of 6% debentures due 1962 issued by DeCoursey-Brewis Minerals Ltd., the company's parent (payment for the shares by such debenture holders may be made by delivery of debentures at par plus interest with premium for Canadian exchange rate). Purchasers will receive common stock purchase warrants on all shares purchased for cash or for the 6% debentures of the parent at the rate of one for each five shares purchased. **Price**—$1.25 per share. **Proceeds**—For general corporate purposes and working capital. **Office**—423 Fourth Ave., Anchorage, Alaska. **Underwriter**—To be named by amendment.

Alliance Tire & Rubber Co. Ltd.
Sept. 9 filed 100,000 shares of class A stock. **Price**—$12.60 per share, payable either in cash or in bonds issued by the State of Israel. **Proceeds**—For expansion. **Office**—Hadera, Israel. **Agent** — Harry E. Brager Associates, Washington, D. C.

Allied Colorado Enterprises Co.
July 13 filed 5,899,618 shares of class A common stock and 551,140 shares of class A-1 common stock for issuance under outstanding subscription agreements at 75 cents per share and 6,576,200 shares of class A common stock for issuance under outstanding option agreements at 25 cents per share. These securities will not be issued if the options and subscription agreements are not exercised. **Proceeds**—For working capital and surplus of subsidiaries and for general corporate purposes. **Underwriters**—Allen Investment Co., Boulder, Colo.

Allied Colorado Enterprises Co.
July 13 filed 3,000,000 class A common stock (par 25 cents). **Price**—90 cents per share. **Proceeds**—For general corporate purposes. **Office**—Boulder, Colo. **Underwriter**—Allen Investment Co., Boulder, Colo.

Allied Radio Corp. (10/6)
Sept. 3 filed 333,335 shares of common stock (par $1). **Price** — To be supplied by amendment. **Proceeds** — To selling stockholders. **Office**—100 North Western Ave., Chicago, Illinois. **Underwriter** — White, Weld & Co., New York.

★ **Allied Small Business Investment Corp.**
Sept. 29 filed 100,000 shares of common stock. **Price** — $11 per share. **Proceeds**—To be used to provide equity capital and long-term loans to small business concerns. **Office**—Washington, D. C. **Underwriter**—To be supplied by amendment.

American Buyers Credit Co.
Nov. 13, 1958, filed 5,000,000 shares of common stock, of which 4,545,455 shares of this stock are to be offered for public sale at $1.75 per share. [Shares have been issued or are issuable under agreements with various policy holders in American Buyers Life Insurance Co. and American Life Assurance Co. (both of Phoenix) permitting them to purchase stock at $1.25 per share. Sales personnel have been given the right to purchase stock at $1.25 per share up to the amount of commission they receive on stock sales made by them.] **Proceeds**—For the operation of other branch offices, both in Arizona and in other states. **Office** — 2001 East Roosevelt, Phoenix, Ariz. **Underwriter**—None.

● **American Educational Life Insurance Co. (10/19-23)**
Sept. 15 filed 3,800,000 shares of class A common stock (par $1), (voting), and 950,000 shares of class B common stock (par $1), (non-voting), to be offered in units of four shares of class A stock and one share of class B stock. **Price**—$25 per unit. **Proceeds**—For general corporate purposes. **Office**—Nashville, Tenn. **Underwriter**—Standard Securities Corp., Third National Bank Bldg., Nashville, Tenn.

American Electric Power Co., Inc. (10/22)
Sept. 9 filed 1,200,000 shares of common stock (par $10). **Proceeds**—To be applied to the retirement of $52,000,000 of outstanding bank notes, due Nov. 25, 1959, with any remaining balance to be used for general corporate purposes. **Office**—30 Church Street, New York City. **Underwriter**—To be determined by competitive bidding. Probable bidders: Blyth & Co., Inc. and Goldman, Sachs & Co. (jointly); Eastman Dillon, Union Securities & Co. and The First Boston Corp. (jointly). **Bids**—Expected to be received up to 11 a.m. (EDT) on Oct. 22.

American Investors Syndicate, Inc.
June 25 filed 600,000 shares of common stock (par 10 cents), and 200,000 shares of 6% preferred stock (no par value, $9 stated value), to be offered in units consisting of 3 shares of common ($1 each) and 1 share of preferred ($9). **Price**—$12 per unit. **Proceeds**—For construction and related expenditures. **Office**—513 International Trade Mart, New Orleans, La. **Underwriter**—Lindsay Securities Corp., New Orleans, La. The SEC had scheduled a hearing, to begin on Sept. 2, which will determine whether a stop order will be issued suspending the offering.

American Mines, Inc.
June 29 filed 150,000 shares of common stock. **Price**—$5 per share. **Proceeds**—To assume and pay an option held by its Mexican subsidiary to purchase certain mining claims in the State of Durango, Mexico, owned by Compania Minera La Bufa, S. A., by paying to such company $50,000; to construct and place in working operation a mine, mill and accessories capable of processing 100 tons of gold ore per day estimated to cost $350,000; payment of about $15,000 of other obligations; to carry on with the balance of the proceeds an exploration program for additional gold and mineral properties both in Mexico and the United States. **Office** — Bank of the Southwest Building, Houston, Tex. **Underwriter**—None.

American Motorists Insurance Co.
Sept. 22 filed 166,666⅔ shares of captal stock, to be offered to holders of outstanding shares of such stock of record Oct. 26, 1959, in the ratio of one new share for each eight shares then held. **Price**—$12 per share. **Proceeds**—To raise the ratio of its capital stock, surplus, and surplus reserve to premium writings, to increase underwriting capacity, and for genral corporate purposes. **Office**—4750 Sheridan Road, Chicago, Ill. **Underwriter**—None.

American Service Life Insurance Co.
Sept. 14 filed 375,000 shares of common stock, of which 300,000 shares are to be publicly offered. **Price**—$3.50 per share. **Proceeds**—For general corporate purposes, including, possibly, the acquisition of similarly engaged companies. **Office**—113 Northeast 23rd Street, Oklahoma City, Okla. **Underwriter** — First Investment Planning Co., Washington, D. C.

● **American States Insurance Co.**
Aug. 3 filed 108,144 shares of class A stock (par $1) limited voting, to be offered for subscription by holders of outstanding class A and class B stock (par $1), at the rate of one additional share for each four shares of class A and class B stock held as of Sept. 18, 1959; rights to expire on Oct. 12. **Price**—To be supplied by amendment. **Proceeds** — To be added to the general funds of the company. **Office**—542 North Meridan St., Indianapolis, Inc. **Underwriter** — City Securities Corp., Indianapolis, Ind.

Ampal-American Israel Corp.
July 30 filed $3,000,000 of five-year 5% sinking fund debentures, series G, due 1964, and $3,000,000 of 10-year 6% sinking fund debentures, series H, due 1969. **Price**—At 100% of principal amount. **Proceeds**—To develop and expand various enterprises in Israel. **Office**—17 E. 71st Street, New York. **Underwriter**—None. **Offering**—Expected sometime during September.

Sept. 1 filed 250,000 shares of common stock. **Price**—Initial price of 40 cents per share. **Proceeds**—To be used to pay for exploration and development of mines and rest of the funds will be added to general funds of the company and used for working capital. **Office**—Prince Albert, Saskatchewan, Canada. **Underwriter** — None.

Anodyne, Inc., Bayside, L. I., N. Y. (10/15)
Sept. 9 (letter of notification) 150,000 shares of common stock (par one cent). **Price**—$2 per share. **Proceeds**—For expansion and general corporate purposes. **Underwriter**—Ross, Lyon & Co., Inc., New York, N. Y.

★ **Anthony Pools, Inc.**
Sept. 28 filed 200,000 shares of outstanding common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—5871 Firestone Boulevard, South Gate, Calif. **Underwriter** — Marron, Edens, Sloss & Co., Inc., New York.

Anthony Powercraft
Sept. 8 (letter of notification) 241,200 shares of 5% cumulative convertible preferred stock to be offered for subscription by common stockholders at the rate of two preferred shares for each three shares of common stock held. **Price**—At par ($1 per share). **Proceeds**—To purchase inventory, new tools, construction and for working capital. **Office**—5871 E. Firestone Boulevard, South Gate, Calif. **Underwriter**—None.

Apache Oil Corp.
May 25 filed 350 units of participation in the Apache Oil Program 1960 and 70,000 rights for the purchase of common stock (par $1.25). The offering is being made only to the stockholders of the company. Each subscription to a unit in Apache Oil Program 1960, will entitle the subscriber to subscribe also to 200 rights for the purchase of one share per right of the company's $1.25 par value common stock. Warrants evidencing the rights will be nontransferable prior to Aug. 16, 1960, and will expire at 2:00 p.m., (CST) on Jan. 31, 1962. Unless Apache Oil Program 1960 commences operations on or before June 30, 1960, all unexercised rights will be void as of 2:00 p.m. (CST) on that date, and their purchase price will be refunded. **Price**—$12,000 per unit. **Proceeds** — For general corporate purposes. **Office** — 523 Marquette Avenue, Minneapolis, Minn. **Underwriter**—APA, Inc., the corporation's subsidiary.

★ **Arizona Fertilizer & Chemical Co.**
Sept. 24 filed 100,000 shares of common stock (par $2.50) of which 75,000 shares are to be offered for the account of the issuing company, and 25,000 shares for the accounts of the present holders thereof. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes, including the provision of funds for the expansion of Cortez Chemicals Co., a subsidiary, the addition to working capital of the issuing company, and the partial liquidation of its unfunded indebtedness. **Office**—734 East Southern Pacific Drive, Phoenix, Ariz. **Underwriters** — Mitchum, Jones & Templeton, Los Angeles, Calif., and Walston & Co., Inc., New York. **Offering**—Expected in about 30 days.

Associations Investment Fund
Aug. 28 filed 400,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For investment in common stocks. **Office**—301 W. 11th Street, Kansas City, Mo. **Underwriter**—Jones Plans, Inc., a subsidiary of R. B. Jones & Sons, Inc.

Aurora Plastics Corp. (10/5-9)
Sept. 2 filed 225,000 shares of common stock (par $1) of which 150,000 shares are to be sold for the account of the issuing company, and 75,000 shares for selling stock holders. **Price** — To be supplied by amendment. **Proceeds**—For general corporate purposes, including the purchase of additional equipment and raw material, and for additional working capital. **Office**—44 Cherry Valley Road, West Hempstead, L. I., N. Y. **Underwriter**—Burnham & Co., New York.

Australian Grazing & Pastoral Co., Ltd.
Jan. 13 filed 4,000,000 shares of common stock. **Price**—At par (56¼ cents per share). **Proceeds**—To purchase cattle; for improvements; to buy additional ranch in Queensland, Australia; and for other corporate purposes. **Office** — 1301 Avenue L, Cisco, Texas. **Underwriter** — None. Robert Kamon is President.

★ **B. & G. Manufacturing Co., Inc.**
Sept. 21 (letter of notification) 10,000 shares of 6% preferred stock. **Price**—At par ($10 per share). **Proceeds**—For working capital. **Office**—202 W. Main St., P. O. Box 913, Jerome, Idaho. **Underwriter**—None.

★ **B. M. Harrison Electrosonics, Inc.**
Sept. 25 filed 133,000 shares of common stock (no par). **Price**—$3 per share. **Proceeds**—For general corporate purposes, including the reduction of indebtedness and the provision of funds to assist the company's expansion into the civilian market. **Office** — Newton Highlands, Mass. **Underwriter**—G. Everett Parks & Co., Inc., 52 Broadway, New York City. **Offering**—Expected prior to Nov. 13.

Bank Stock Corp. of Milwaukee
Sept. 11 filed 605,000 shares of common stock, to be offered in exchange for common stock of Marshall & Ilsley Bank and the capital shares of the Northern Bank, on the basis of two of the issuing company's shares for each such Marshall & Ilsley share, and 10½ of the issuing company's shares for each such Northern Bank share. The exchange offer is conditioned upon the issuing company acquiring by exchange not less than 80% of the outstanding shares of the other banks, which are also located in Milwaukee, and has been approved by the Federal Reserve Board on the condition that the exchange take place by Dec .3, 1959. The exchange offer will expire on Nov. 13, unless extended. **Office**—721 North Water St., Milwaukee, Wis.

Bankers Management Corp.
Sept. 10 (letter of notification) 300,000 shares of common stock (par 25 cents). **Price**—$1 per share. **Proceeds**—For working capital. **Office**—1404 Main Street, Houston 2, Texas. **Underwriter**—Daggett Securities, Inc., Newark, N. J. **Offering**—Expected in about 60 days.

Bankers Preferred Life Insurance Co.
Jan. 30 (letter of notiifcation) 100,000 shares of common stock (par $1.60). **Price**—$3 per share. **Proceeds**—For expenses incidental to operation of an insurance company. **Office**—Suite 619, E. & C. Bldg., Denver, Colo. **Underwriter**—Ringsby Underwriters, Inc., Denver 2, Colo.

★ **Bartell Broadcasting Corp.**
Sept. 17 (letter of notification) 54,545 shares of capital stock (par $1). **Price**—$5.50 per share. **Proceeds**—For working capital and to finance expanded operations of the company. **Office**—730 Fifth Ave., New York, N. Y. **Underwriter**—W. W. Schroeder & Co., Inc., New York, N. Y. **Offering**—Expected during the middle part of Oct.

★ **Barton's Candy Corp.**
Sept. 28 filed 175,000 shares of common stock, of which 150,000 shares are to be publicly offered. **Price**—To be supplied by amendment. **Proceeds**—For general corpo-

rate purposes, including the financing of accounts receivable, the provision of funds for new machinery and equipment, for construction of new stores and improvements of present outlets, and for working capital. **Office**—80 DeKalb Avenue, Brooklyn, N. Y. **Underwriter**—D. H. Blair & Co. **Offering**—Expected in three to six weeks.

Basic Materials, Inc.
April 9 (letter of notification) 1,200,000 shares of common stock (par 10 cents). **Price**—25 cents per share. **Proceeds**—For mining expenses. **Office**—c/o Harold A. Roberts, President, Arroyo Hondo, Santa Fe, N. Mex. **Underwriter** — Hyder, Rosenthal & Co., Albuquerque, N. Mex. Letter to be amended.

● **BBM Photocopy Manufacturing Corp. (10/5-9)**
Aug. 27 (letter of notification) 100,000 shares of capital stock (par five cents). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office**—42 W. 15th St., New York, N. Y. **Underwriter**—Myron A. Lomasney & Co., New York, N. Y.

★ **Beckman Instruments, Inc.**
Sept. 25 filed 117,559 shares of common stock, issuable upon exercise of options granted and to be granted under the company's Restricted Stock Option Plan. **Office**—2500 Fullerton Road, Fullerton, Calif.

● **Belco Petroleum Corp. (10/5-9)**
Aug. 14 filed $7,200,000 of 5.83% convertible subordinated debentures, due 1974, and 400,000 shares of common stock (par $1) to be offered in units, each unit consisting of $36 of debentures and two shares of common stock. **Price** — To be supplied by amendment. **Proceeds** — For general corporate purposes, including repayment of all existing debts to banks. **Office** — 630 Third Ave., New York. **Underwriters**—White, Weld & Co., and Goldman, Sachs & Co., both of New York.

NEW ISSUE CALENDAR

October 1 (Thursday)
Central Corp. — **Common**
(Arnold Malkan & Co.) $600,000
First Philadelphia Corp. — **Common**
(First Philadelphia Corp.) $300,000
Random House, Inc. — **Common**
(Allen & Co.) 222,060 shares

October 2 (Friday)
Matronics, Inc. — **Common**
(Vermilye Brothers) $750,000
Standard Beryllium Corp. — **Common**
(R. G. Williams & Co., Inc.) $225,000
Tang Industries, Inc. — **Common**
(David Barnes & Co., Inc.) $330,000

October 5 (Monday)
Aurora Plastics Corp. — **Common**
(Burnham & Co.) 225,000 shares
BBM Photocopy Manufacturing Corp. — **Common**
(Myron A. Lomasney & Co.) $300,000
Belco Petroleum Corp. — **Debentures & Common**
(White, Weld & Co. and Goldman, Sachs & Co.) $7,200,000
Bostic Concrete Co. Inc. — **Common**
(Syle & Co.) 10,000 shares
Bostic Concrete Co. Inc. — **Debentures**
(Syle & Co.) $250,000
Bzura Chemical Co., Inc. — **Bonds**
(P. W. Brooks & Co., Inc.) $2,400,000
Bzura Chemical Co., Inc. — **Common**
(P. W. Brooks & Co., Inc.) 240,000 shares
Camloc Fastener Corp. — **Common**
(Van Alstyne, Noel & Co.) $1,354,500
Electro-Sonic Laboratories, Inc. — **Common**
(L. D. Sherman & Co.) $300,000
First Virginia Corp. — **Common**
(Johnston, Lemon & Co.) 600,000 shares
Perfect Photo, Inc. — **Common**
(Drexel & Co.) 150,000 shares
Radio Frequency Co., Inc. — **Common**
(Myron A. Lomasney & Co.) $300,000
West Florida Natural Gas Co. — **Debentures**
(Beil & Hough, Inc.) $837,200

October 6 (Tuesday)
Allied Radio Corp. — **Common**
(White, Weld & Co.) 333,335 shares
Cher-O-Kee Photofinishers, Inc. — **Class A**
(J. C. Bradford & Co.) $280,000
Pacific Far East Lines, Inc. — **Bonds**
(The First Boston Corp. and A. G. Becker & Co., Inc.) $12,000,000
Zale Jewelry Co., Inc. — **Common**
(Goldman, Sachs & Co., and Eppler Guerin & Turner, Inc.) 108,989 shares

October 7 (Wednesday)
Crowley's Milk Co., Inc. — **Common**
(Auchincloss, Parker & Redpath) $1,200,000
Raymond Service, Inc. — **Common**
(The James Co.) $300,000

October 8 (Thursday)
Columbia Gas System Inc. — **Debentures**
(Bids 11 a.m. EDT) $25,000,000
Manchester Bank of St. Louis (Mo.) — **Common**
(Offering to stockholders—underwritten by G. H. Walker & Co.) 45,000 shares
MCA, Inc. — **Common**
(Lehman Brothers) 400,000 shares

October 12 (Monday)
Acme Missiles & Construction Corp. — **Common**
(Myron A. Lomasney & Co.) $1,200,000
Biochemical Procedures, Inc. — **Common**
(Shields & Co.) 100,000 shares
Colonial Corp. of America — **Common**
(Bear, Stearns & Co.) 120,000 shares
Dow Chemical Co. — **Common**
(Offering to employees) 120,000 shares
Dynex, Inc. — **Common**
(Myron A. Lomasney & Co.) $600,000
Guerdon Industries, Inc. — **Common**
(Blair & Co., Inc.) 400,006 shares
Hickok Electrical Instrument Co. — **Debentures**
(Hayden, Miller & Co.) $500,000
Hickok Electrical Instrument Co. — **Common**
(Hayden, Miller & Co.) 90,000 shares
Narda Microwave Corp. — **Common**
(Milton D. Blauner & Co., Inc.) 50,000 shares
National Key Co. — **Common**
(C. E. Unterberg, Towbin Co.) 200,000 shares
Southwest Airmotive Co. — **Common**
(Rauscher, Pierce & Co., Inc. and Dallas Rupe & Sons, Inc.) 200,000 shares
Tassette, Inc. — **Common**
(Amos Treat & Co., Inc. and Truman, Wasserman & Co.) $300,000
York Research Corp. — **Class A**
(Myron A. Lomasney & Co.) $450,000

October 13 (Tuesday)
Oil Recovery Corp. — **Debentures**
(Lehman Brothers) $550,000
Oil Recovery Corp. — **Common**
(Lehman Brothers) 5,500 shares

October 14 (Wednesday)
Butler's Shoe Corp. — **Common**
(Goldman, Sachs & Co. and R. S. Dickson & Co., Inc.) 100,000 shares
Philadelphia Electric Co. — **Bonds**
(Bids to be invited) $50,000,000
Thrift Drug Co. of Pennsylvania — **Common**
(Singer, Deane & Scribner) 75,000 shares

October 15 (Thursday)
Anodyne, Inc. — **Common**
(Ross, Lyon & Co., Inc.) $300,000
Northern Natural Gas Co. — **Preferred**
(Blyth & Co., Inc.) $20,000,000

October 19 (Monday)
American Educational Life Insurance Co. — **Common**
(Standard Securities Corp.) 4,750,000 shares
Daitch Crystal Dairies, Inc. — **Debentures**
(Hirsch & Co.) $3,500,000
National Union Fire Insurance Co. — **Common**
(Offering to stockholders—Underwritten by The First Boston Corp.) 200,000 shares
Pantasote Co. — **Debentures**
(Blair & Co., Inc.) $2,700,000
Shell Electronics Manufacturing Corp. — **Common**
(Schweickart & Co.) $340,000
Simon Hardware Co. — **Debentures**
(J. S. Strauss & Co.; York & Co. and Mason Brothers) $800,000
Simon Hardware Co. — **Common**
(J. S. Strauss & Co.; York & Co. and Mason Brothers) 80,000 shares

October 20 (Tuesday)
Servo Corp. of America — **Debentures**
(Ira Haupt & Co.) $1,000,000
Southern Bell Telephone & Telegraph Co. — **Debs.**
(Bids to be invited) $70,000,000
Vernors Ginger Ale, Inc. — **Common**
(Baker, Simonds & Co., Inc. and William J. Mericka & Co., Inc.) 282,760 shares
Vernors Ginger Ale, Inc. — **Debentures**
(Baker, Simonds & Co., Inc. and William J. Mericka & Co., Inc.) $750,000

October 21 (Wednesday)
Frantz Manufacturing Co. — **Common**
(Blair & Co., Inc.) 190,953 shares
Texas Gas Transmission Corp. — **Preferred**
(Dillon, Read & Co.) $15,000,000
Western Massachusetts Electric Co. — **Bonds**
(Bids 11 a.m. EDT) $8,000,000

October 22 (Thursday)
American Electric Power Co. — **Common**
(Bids 11 a.m. EDT) 1,200,000 shares
Electronics Funding Corp. — **Common**
(Darius Inc.) $150,000
Rochester Gas & Electric Corp. — **Bonds**
(Bids to be invited) $12,000,000

October 26 (Monday)
California Liquid Gas Corp. — **Common**
(Kidder, Peabody & Co.) 100,000 shares
Gold Medal Studios, Inc. — **Common**
(Arnold Malkan & Co.) $500,000

October 27 (Tuesday)
Florida Power & Light Co. — **Bonds**
(Bids to be invited) $20,000,000
Interstate Fire & Casualty Co. — **Common**
(White, Weld & Co., Inc.) 85,000 shares

October 28 (Wednesday)
Puget Sound Power & Light Co. — **Bonds**
(Bids to be invited) $20,000,000
Therm-O-Disc, Inc. — **Common**
(Goldman, Sachs & Co. and McDonald & Co.) 121,057 shares

October 29 (Thursday)
Foster Grant Co., Inc. — **Common**
(Goldman, Sachs & Co.) 190,000 shares
Wisconsin Public Service Co. — **Bonds**
(Bids 11 a.m. EST) $8,000,000

November 17 (Tuesday)
American Telephone & Telegraph Co. — **Debens.**
(Bids to be received) $250,000,000

November 24 (Tuesday)
Gulf States Utilities Co. — **Bonds**
(Bids 11 a.m. EST) $16,000,000

December 1 (Tuesday)
Consolidated Edison Co. of New York, Inc. — **Bonds**
(Bids to be invited) $50,000,000

December 8 (Tuesday)
Louisiana Gas Service Co. — **Bonds**
(Bids to be invited) $6,000,000

★ **Bell & Howell Co.**
Sept. 25 filed 15,000 shares of common stock, to be offered as bonuses to dealers for selling the products of the issuing company. **Office** — 7100 McCormick Road, Chicago, Ill.

Berens Real Estate Investment Corp.
July 31 filed $1,200,000 of 6½% debentures, due 1969, and 80,000 shares of common stock (par $5). **Price**—$500 per unit, each unit to consist of $300 of debentures and 20 shares of common stock. **Proceeds**—For working capital. **Office**—1722 L Street N. W., Washington, D. C. **Underwriter**—Berens Securities Corp., same address.

Beverages Bottling Corp.
July 6 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For construction or purchase of additional facilities for the manufacture, warehousing and distribution of beverages. **Office**—800 St. Anns Avenue, Bronx, N. Y. **Underwriter**—Financial Management, Inc., 11 Broadway, New York, N. Y.

Biochemical Procedures, Inc. (10/12-16)
Sept. 9 filed 100,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—For expansion and additional working capital. **Office**—Los Angeles, Calif. **Underwriter**—Shields & Co., New York.

● **Border Steel Rolling Mills, Inc.**
Sept. 14 filed $2,100,000 of 15-year 6% subordinated sinking fund debentures, due Oct. 1, 1974, and 210,000 shares of common stock ($2.50 par), to be offered in units of $50 principal amount of debentures and five shares of common stock. **Price** — To be supplied by amendment. **Proceeds**—For the purchase of land and construction thereon, and for the manufacture and installation of necessary equipment. **Office**—1609 Texas Street, El Paso, Texas. **Underwriters**—First Southwest Co., Dallas, Texas, and Harold S. Stewart & Co., El Paso, Texas.

Border Steel Rolling Mills, Inc.
Sept. 14 filed 226,380 shares of common stock, to be offered for subscription to stockholders of record Aug. 31, 1959, on the basis of 49 new shares for each share then held. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office** — 1609 Texas Street, El Paso, Texas. **Underwriter**—None.

● **Bostic Concrete Co., Inc. (10/5-9)**
June 19 (letter of notification) $250,000 of 8% convertible debentures due July 1, 1969 and 10,000 shares of class A common stock (par $1) to be offered in units of one $500 debenture and 20 shares of class A common stock. **Price**—$600 per unit. **Proceeds**—To pay obligations and for working capital. **Office** — 1205 Oil Centre Station, Lafayette, La. **Underwriter**—Syle & Co., New York, N. Y.

● **Boston Edison Co.**
Sept. 4 filed 271,553 shares of common stock (par $25) being offered for subscription by holders of outstanding common stock of record Sept. 25, 1959, at the rate of one new share for each ten shares held; rights to expire on Oct. 13, 1959 (with an oversubscription privilege). **Price**—$56.75 per share. **Proceeds**—To reduce short-term bank debt. **Office**—182 Tremont St., Boston, Mass. **Underwriter**—The First Boston Corp., New York.

Bradco 1960 Associates, Inc.
Aug. 24 filed $2,500,000 of participating interests under a Participation Agreement in Associates Oil and Gas Exploration Program. **Price**—$10,000 per unit. **Proceeds**—For the acquisition and exploration of undeveloped oil and gas properties. **Office**—Bank of the Southwest Bldg., Houston, Texas. **Underwriters** — The offering is to be made on a best efforts basis by 2338 Sales, Inc. (an affiliate of the issuing company) and certain company officers, including W. H. Hendrickson, Board Chairman.

★ **Breuer & Curran Oil Co.**
Sept. 24 filed $1,500,000 of co-ownership participations in an oil and gas exploration fund. **Price**—The minimum participations will be $10,000. **Proceeds**—To conduct oil and gas exploration activities. **Office**—3510 Prudential Plaza, Chicago, Ill.

Butler's Shoe Corp., Atlanta, Ga. (10/14)
Sept. 16 filed 100,000 shares of common stock (par $1), of which, 40,000 shares will be sold for the company's account and 60,000 shares for the account of certain selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—For additional working capital. **Underwriters**—Goldman, Sachs & Co., New York; and R. S. Dickson & Co., Inc., Charlotte, N. Car.

● **Bzura Chemical Co., Inc. (10/5-13)**
Aug. 12 filed $2,400,000 of 6½% first mortgage bonds, due 1979 and 240,000 shares of common stock (par 25 cents), to be offered in units consisting of $500 principal amount of bonds and 50 shares of common stock. **Price**—$500 per unit. **Proceeds** — To be used for placing a new plant in operation in Fieldsboro, N. J. **Office**—Broadway and Clark Streets, Keyport, N. J. **Underwriter**—P. W. Brooks & Co., Inc., New York.

Cador Production Corp., Far Hills, N. J.
Aug. 18 filed 1,500,000 shares of class A stock (par $1) and 225,000 shares of class B stock (60c par). The 225,000 shares of class B stock are not being offered for sale, but may be issued as commission in connection with the distribution of the class A stock. **Price**—At par in exchange for "property interests." **Agent**—Dewey & Grady Inc., Far Hills, N. J. on a "best efforts" basis for the class A stock only.

★ **Cadre Industries Corp.**
Sept. 25 filed 17,532 shares of common stock, to be offered to holders of such stock of record Oct. 23, on the basis of one new share for each 8 shares then held. **Price**—$64 per share. **Proceeds**—For general corporate purposes, including working capital. **Office**—20 Valley St., Endwell, N. Y. **Underwriter**—None.

Continued on page 54

Continued from page 53

● California Liquid Gas Corp. (10/26-30)
Sept. 16 filed 100,000 shares of common stock (par $1), of which 55,000 shares are to be offered for the account of the issuing company, and 45,000 shares, representing outstanding stock, are to be offered for the account of the present holder thereof (of which latter amount 2,000 shares will be sold to certain employees). **Price**—To be supplied by amendment. **Proceeds**—To repay indebtedness, purchase new transport equipment, and for working capital. **Address**—P. O. Box 5073, Sacramento, Calif. **Underwriter**—Kidder, Peabody & Co., New York.

California Metals Corp.
July 27 filed 2,500,000 shares of common stock. **Price**—At par (20 cents per share). **Proceeds**—For construction of a pilot plant; for measuring ore; for assaying; and for general corporate purposes. **Office**—3955 South State St., Salt Lake City, Utah. **Underwriter**—Cromer Brokerage Co., Inc., Salt Lake City.

California Mutual Co-Ply, Inc.
Sept. 14 filed 140 shares of voting common stock. **Price**—At par ($5,000 per share). **Proceeds**—To purchase the mill and related facilities of Durable Plywood Co. for $690,000, with the balance to be used for working capital. **Office**—Calpella, Calif. **Underwriter**—The offering is to be made by Ramond Benjamin Robbins, one of the nine promoters, the list of which also includes Harry Ernest Holt, of Eureka, Calif., President of the company.

● Camloc Fastener Corp. (10/5-9)
Sept. 11 filed 150,500 shares of common stock (par $2). **Price** — $9 per share. **Proceeds** — To selling stockholder. **Office**—22 Spring Valley Road, Paramus, N. J. **Underwriter**—Van Alstyne, Noel & Co., New York.

Capital Shares, Inc.
Aug. 3 filed 500,000 "Life Insurance Fund" shares. **Price**—To be supplied by amendment. **Proceeds**—For investment in the securities of companies engaged directly or indirectly in the life insurance business. **Office**—15 William Street, New York. **Underwriter**—Capital Sponsors, Inc., New York. **Offering**—Expected in late October.

● Central Corp.
Aug. 3 filed 200,000 shares of common stock (par 10c). **Price**—$3 per share. **Proceeds**—For manufacturing and sales facilities and working capital, of subsidiaries; to repay loans. **Office**—1315 Dixwell Ave., Hamden, Conn. **Underwriter** — Arnold Malkan & Co., Inc., New York. **Offering**—Expected today (Oct. 1).

● Central and South West Corp. (10/29)
Sept. 21 filed 350,000 shares of common stock (par $5). **Proceeds**—To prepay and discharge bank borrowings in the amount of $3,200,000, and to purchase during 1959-60 additional shares of common stock of Public Service Co. of Oklahoma, Southwestern Electric Power Co., and West Texas Utilities Co. **Office**—902 Market St., Wilmington, Del. **Underwriters**—To be determined by competitive bidding. Probable bidders: Blyth & Co., Inc., and Harriman Ripley &Co., Inc. (jointly); Lehman Brothers and Lazard Freres & Co. (jointly); The First Boston Corp. and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly). **Bids**—Tentatively expected to be received up to 10:30 a.m. (Chicago time) on Oct. 29.

Century Properties, Los Angeles, Calif.
Aug. 5 (letter of notification) 33,880 shares of common stock (par $1), being offered for subscription by stockholders of record Sept. 1, 1959 on the basis of one new share for each 10 shares held; rights to expire on Oct. 1, 1959. **Price**—$4 per share. **Proceeds**—To reduce bank loans. **Office**—1758 South La Cienega Boulevard, Los Angeles, Calif. **Underwriter**—None. Bley Stein, President, will be offered any unsubscribed shares until Oct. 3, 1959.

★ Chadbourn Gotham, Inc.
Sept. 28 filed $2,500,000 of 6% convertible subordinated debentures, due 1974, with warrants to purchase 200,000 shares of common stock, to be offered for subscription by holders of its common stock at the rate of $100 of debentures, with an attached warrant to purchase 10 common shares for cash for each 100 common shares held as of the record date. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes, including working capital and the acquisition of shares of the outstanding common stock of Davenport Hosiery Mills, Inc., of Chattanooga, Tenn. **Office** — 2417 North Davidson Street, Charlotte, N. C. **Underwriter**—R. S. Dickson & Co., Charlotte.

Channing Service Corp.
Sept. 9 filed (by amendment) an additional $40,000,000 of "Variable Investment Plan" Programs for the accumulation of shares of Institutional Growth Fund. **Office**—85 Broad St., New York City.

★ Cher-O-Kee Photofinishers, Inc. (10/6)
Sept. 22 (letter of notification) 100,000 shares of class A common stock (par 40 cents). **Price**—$2.80 per share. **Proceeds**—To repay a note payable and other loans, and for general funds. **Office** — Athens, Tenn. **Underwriter**—J. C. Bradford & Co., Nashville, Tenn.

China Telephone Co., South China, Maine
Aug. 7 (letter of notification) 2,000 shares of preferred stock to be offered for subscription by stockholders and the company's subscribers; unsubscribed shares to the public. **Price**—At par ($25 per share). **Proceeds**—To install a dial exchange at East Vassalboro, Maine; to construct a cable; to repay notes, etc. **Underwriter**—None.

Citizens' Acceptance Corp.
June 29 filed $600,000 of series F 6% five-year subordinated debentures, to be offered to the present holders of the company's subordinated debentures in exchange, at face value, on the maturity dates of those securities so long as there are bonds remaining unsold in this offering. No bonds will be reserved for this exchange offering. **Price**—100% of principal amount. **Proceeds**—To increase or maintain the working capital of the company but will be initially applied to the reduction of short-term notes due within one year. Part of the proceeds may also be used to retire outstanding subordinated debentures not exchanged. **Office**—Georgetown, Del. **Underwriter**—None.

City Discount & Loan Co.
July 30 (letter of notification) 120,000 shares of common stock (no par). **Price** — $2.50 per share. **Proceeds** — For working capital. **Office**—1005 Northeast Broadway, Portland, Ore. **Underwriter**—R. G. Williams & Co., Inc., New York, N. Y. has withdrawn as underwriter.

● Colonial Corp. of America (10/12-16)
Sept. 3 filed 120,000 shares of common stock (par $1), of which 60,000 shares are to be offered for account of the company, and 60,000 shares for account of a selling stockholder. **Price** — To be supplied by amendment. **Proceeds**—For working capital to finance current and future expansion. **Office**—Woodbury, Tenn. **Underwriter**—Bear, Stearns & Co., New York.

Colorado Water & Power Co.
Feb. 25 (letter of notification) $220,000 of 6% unsecured debentures due April 1, 1964 and 1,100 shares of common stock (par $1) to be offered in units of $200 of debentures and one share of stock. **Price** — $205 per unit. **Proceeds**—For working capital. **Office**—Suite 421, 901 Sherman Street, Denver, Colo.

Columbia Gas System, Inc. (10/8)
Sept. 11 filed $25,000,000 of series N debentures due Oct. 1, 1984. **Proceeds**—For 1959 construction program. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc. and White, Weld & Co. (jointly); Morgan Stanley & Co. **Bids**—Expected to be received up to 11 a.m. (New York Time) on Oct. 8 at the office of the company, 120 East 41st Street, New York.

Columbian Financial Development Co.
Aug. 14 filed $1,000,000 of Plans for Investment in Shares in American Industry, of which $500,000 was for Single Payment Investment Plans and $500,000 for Systematic Investment Plans and Systematic Investment Plans With Insurance. **Office**—15 East 40th Street, New York. **Underwriter** — None. **Offering** — Expected some time in October.

Commerce Oil Refining Corp.
Dec. 16, 1957 filed $25,000,000 of first mortgage bonds due Sept. 1, 1968, $20,000,00 of subordinated debentures due Oct. 1, 1968 and 3,000,000 shares of common stock to be offered in units as follows: $1,000 of bonds and 48 shares of stock and $100 of debentures and nine shares of stock. **Price**—To be supplied by amendment. **Proceeds** — To construct refinery. **Underwriter**—Lehman Brothers, New York. **Offering**—Indefinite.

Commercial Investors Corp.
Nov. 28 (letter of notification) 900,000 shares of common stock. **Price**—At par (10 cents per share). **Proceeds**—For investment. **Office**—450 So. Main St., Salt Lake City, Utah. **Underwriter**—Earl J. Knudson & Co., Salt Lake City, Utah.

★ Concord Fund, Inc.
Sept. 25 filed an additional 300,000 shares of common stock. **Proceeds**—For investment. **Office**—Boston, Mass.

★ Conetta Manufacturing Co.
Sept. 28 filed 100,000 shares of class A common stock. **Price**—$4 per share. **Proceeds**—For working capital; to prepay a bank note; and for machinery and equipment. **Office**—73 Sunnyside Avenue, Stamford, Conn. **Underwriter**—Vermilye Bros., New York.

Consolidated Development Corp.
Aug. 28 filed 448,000 shares of common stock, of which 198,000 shares are to be offered to holders of the issuing company's 6% convertible debentures, and 100,000 shares are to be offered to the underwriter, with the remaining 150,000 shares, in addition to those shares described above not subscribed for by the debenture holders and the underwriter, respectively, to be publicly offered. **Price** — For the shares to be offered to the debenture holders, 75 cents per share, which is equal to the price at which the debentures are convertible into common stock; for the shares to be offered to the underwriter, $1 per share; for the shares to be offered to the public, the price will be related to the current price of the outstanding shares on the American Stock Exchange at the time of the offering. **Proceeds** — For general corporate purposes. **Office**—Calle 23, No. 956, Vedado, Havana, Cuba. **Underwriter**—H. Kook & Co., Inc., New York.

★ Copymation, Inc. (formerly Peck & Harvey Mfg. Co.)
Sept. 23 (letter of notification) 100,000 shares of common stock (par 50 cents). **Price**—$3 per share. **Proceeds**—To pay bank loans and loans to stockholders and others and for working capital. **Office**—5642-50 North Western Avenue, Chicago 45, Ill. **Underwriter**—Simmons & Co., New York, N. Y. **Offering**—Expected in late October.

★ Cornbelt Insurance Co., Freeport, Ill.
Sept. 29 filed 200,000 shares of common stock to be offered for subscription by common stockholders of record Sept. 15, 1959, at the rate of four new shares for each 10 shares then held. Unsubscribed shares may be offered publicly. **Price**—$4 per share. **Proceeds**—To increase capital and surplus. **Underwriter**—None, but brokers and dealers who join in the distribution will receive commission of 40 cents per share.

★ Cracker Barrel Supermarkets, Inc.
Sept. 25 (letter of notification) 120,000 shares of common stock (par 10 cents). **Price**—$2.50 per share. **Proceeds**—For general corporate purposes. **Office**—84-16 Astoria Blvd., Queens, L. I., N. Y. **Underwriter**—Diran, Norman & Co., New York. **Offering**—Expected in late October.

Cree Mining Corp. Ltd.
April 17 filed 260,000 shares of common stock. **Price**—80 cents per share. **Proceeds**—For exploation progam. **Office**—2100 Scarth St., Regina, Saskatchewan, Canada. **Underwriter** — Cumberland Securities Ltd., also of Regina.

Crescent Petroleum Corp., Tulsa, Okla.
May 26 filed 48,460 shares of 5% convertible pfd. stock ($25 par) and 12,559 shares of common ($1 par), 34,460 shares of the preferred and 9,059 shares of common are issuable upon the exercise of stock options granted when the assets of Norbute Corp. were acquired on Aug. 6, 1958. **Underwriter**—None.

Crowley's Milk Co., Inc. (10/7-8)
Sept. 10 filed 120,000 outstanding shares of common stock. **Price**—At par ($10 per share). **Proceeds**—To selling stockholders. **Office**—145 Conklin Ave., Binghamton, N. Y. **Underwriter** — Auchincloss, Parker & Redpath, New York.

Crusader Oil & Gas Corp., Pass Christian, Miss.
May 26 filed 1,500,000 shares of common stock, of which 641,613 shares will be offered on a one-for-one basis to stockholders of record May 15, 1959. The remaining 858,387 shares will be offered publicly by the underwriter on a "best efforts" basis. **Price**—To be supplied by amendment. **Proceeds**—For repayment of notes and for working capital. **Underwriter** — To be supplied by amendment.

Daitch Crystal Dairies, Inc. (10/19-23)
Sept. 15 filed $3,500,000 of 5½% convertible subordinated debentures, due Oct. 1, 1979. **Price** — At 100% of principal amount. **Proceeds**—For working capital. **Office**—Bronx, New York. **Underwriter**—Hirsch & Co., New York.

★ Dayton Aviation Radio & Equipment Corp.
Sept. 28 filed 201,050 shares of common stock, of which 190,871 shares are to be offered to holders of outstanding stock as of the record date on the basis of one new share for each four shares then held. **Price**—$1.50 per share. **Proceeds**—To finance government contracts, reduce accounts payable, and increase working capital. **Office**—South Dixie Highway, Troy, Ohio.

Denab Laboratories, Inc.
July 31 filed 50,000 shares of common stock (par $2.50). **Price**—$10 per share. **Proceeds**—For general corporate purposes, including salaries, cars, promotion, inventory, the establishment of branch offices, expenses incidental to obtaining permission to do business in other states, and the establishment of a contingency reserve. **Office**—1420 East 18th Avenue, Denver, Colo. **Underwriter**—None.

Development Corp. of America
June 29 Registered issue. (See Equity General Corp. below.)

Dilbert's Leasing & Development Corp.
June 11 filed $4,400,000 of 20-year 5½% convertible debentures, due July 15, 1979 and 1,056,000 shares of common stock (par one cent) to be offered in units consisting of $50 principal amount of debentures and 12 shares of common stock. **Price**—$51.20 per unit. **Proceeds**—For repayment of notes; to develop and construct shopping centers and a super-market under existing purchase contracts and for working capital. **Name Changed** — Company formerly known as Dilbert's Properties, Inc. **Office**—93-02 151st Street, Jamaica, N. Y. **Underwriter**—S. D. Fuller & Co., New York. **Offering**—Expected in October.

★ Digitronics Corp.
Sept. 25 filed 65,877 shares of capital stock, to be offered to the holders of outstanding shares of such stock on the basis of one new share for each five shares held. **Price**—To be supplied by amendment. **Proceeds** — For general corporate purposes. **Office** — Albertson, L. I., N. Y. **Underwriter**—Granbery, Marache & Co., New York City. **Offering**—Expected in October.

● DIT-MCO, Inc.
Sept. 8 filed 33,333 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes, including working capital and the reduction of short-term bank borrowings. **Office** — 911 Broadway, Kansas City, Mo. **Underwriters**—Midland Securities Co., Inc.. and Barret, Fitch, North & Co., Inc., both of Kansas City, Mo. Statement to be amended.

★ Diversified Communities, Inc.
Sept. 25 filed 467,200 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For acquisition of Hope Homes, Inc., Browntown Water Co., and Cantor & Goldman Builders, Inc., with the balance to be used as working capital. **Office**—29A Sayre Woods Shopping Center, Madison Township, P. O. Parlin, N. J. **Underwriter**—Lee Higginson Corp., New York.

Dooley Aircraft Corp.
Aug. 14 filed 506,250 shares of common stock (par one cent), of which 375,000 shares are to be publicly offered. **Price**—$2 per share. **Proceeds**—To repay loans; to pay the $80,000 balance due on the company's purchase of the complete rights to the MAC-145 aircraft; and for working capital, including expenses for advertising. **Office**—105 West Adams St., Chicago, Ill. **Underwriter**—Mallory Securities, Inc., New York, has withdrawn as underwriter.

● Dow Chemical Co. (10/12)
Sept. 3 filed 120,000 shares of common stock to be offered for sale to employees of company and certain of its subsidiary and associated companies. Subscriptions will be accepted from Oct. 12 through Oct. 30. **Price**—To be accepted from Oct. 12 through Oct. 30. **Price**—$68 per share.

Drake Associates
Aug. 20 filed $5,905,000 of limited partnership interests. **Price**—$10,000 for each of 590½ units. **Proceeds**—To buy the Hotel Drake, located at 56th St. and Park Ave., New York, from Webb & Knapp, Inc. **Office**—60 East 42nd St., New York. **Agents**—Domax Securities Corp., and Peter I. Feinberg Securities Corp., both of New York. **Offering**—Expected sometime prior to Oct. 1.

Drexelbrook Associates
May 22 filed $2,000,000 of partnership interests, to be offered in units. **Price**—$10,000 per unit. **Proceeds**—To be used for various acquisitions. **Office**—Broad & Chestnut Streets, Philadelphia, Pa. **Underwriter**—None.

Durrazzo Products, Inc.
Aug. 26 (letter of notification) 2,500 shares of common stock to be offered for subscription by stockholders. **Price**—At par ($10 per share). **Proceeds**—For additional improvement and for the purchase of machinery and equipment. **Office**—2593 Highway 55, St. Paul 18, Minn. **Underwriter**—None.

Dynex, Inc. (10/12-16)
Aug. 6 filed 120,000 shares of common stock (par 25 cents). **Price**—$5 per share. **Proceeds**—For general corporate purposes, including product research, the purchase of new equipment, and expansion. **Office** — 123 Eileen Way, Syosset, L. I., N. Y. **Underwriter**—Myron A. Lomasney & Co., New York.

ESA Mutual Fund, Inc.
June 29 filed 2,000,000 shares of capital stock. **Price**—To be supplied by amendment. **Proceeds**—For investment. **Investment Adviser**—Yates, Heitner & Woods, St. Louis, Mo. **Underwriter**—ESA Distributors, Inc., Washington, D. C. **Office**—1028 Connecticut Avenue, N. W., Washington, D. C.

Edward Steel Corp., Miami, Fla.
July 8 filed 140,000 shares of common stock (par 10 cents). **Price**—$5 per share. **Proceeds**—To repay loans, to acquire property and equipment, and for working capital. **Underwriter**—Charles Plohn & Co., New York. **Offering**—Expected in late October—

E. H. P. Corp.
Aug. 31 filed 160,000 shares of capital stock, of which 100,000 shares are to be publicly offered. **Price**—$2.50 per share. **Proceeds**—To provide funds for the purchase of vending machines which will be used to distribute automobile breakdown insurance policies on thruways, parkways and highways in the amount of $25 of such breakdown insurance for the purchase price of 25 cents, and for a public relations and publicity program. Office—Hotel Troy Building, Troy, New York. **Underwriter**—John R. Boland & Co., Inc., New York. **Offering**—Expected during the next two months.

★ ECon-O-Veyor Corp. (10/12-16)
Sept. 18 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For advertising and promotion; new equipment, and general corporate purposes. **Office**—224 Glen Cove Avenue, Glen Cove, N. Y. **Underwriter**—Plymouth Securities Corp., New York, N. Y.

Electro-Sonic Laboratories, Inc. (10/5-9)
Aug. 14 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—To retire outstanding bank loan; to increase inventories; for sales and promotional activities; to improve production facilities and to acquire new and improved tools and machinery; for development and research and for working capital. **Office** — 35—54 Thirty-sixth St., Long Island City, N. Y. **Underwriter**—L. D. Sherman & Co., New York, N. Y.

● Electronic Communications, Inc.
Aug. 28 filed $5,000,000 of subordinated debentures, due Sept. 15, 1974 (with warrants for purchase of 20 shares of common stock for each $1,000 of debentures). **Price**—To be supplied by amendment. **Proceeds** — For general corporate purposes, including the repayment of outstanding indebtedness, the completion of construction, and the purchase of additional equipment. **Office**—1501 72nd St., North, St. Petersburg, Fla. **Underwriter**—Laird & Co., Corp., Wilmington, Del. **Offering**—Expected in October.

● Electronics Funding Corp. (10/22)
Sept. 15 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—To go to the company. **Office**—c/o Darius Inc., 90 Broad Street, New York, 4, N. Y. **Underwriter**—Darius Inc., New York, N. Y.

★ Ennis Business Forms, Inc.
Sept. 25 filed 217,490 shares of common stock of which 45,000 shares are to be publicly offered for the account of the issuing company, 5,000 shares are to be offered by the company to its employees, and 167,490 shares, representing outstanding stock, are to be offered for the accounts of the present holders thereof. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes, including expansion and the purchase of equipment. **Office**—214 West Knox St., Ennis, Texas. **Underwriter**—Kidder, Peabody & Co. **Offering**—Expected in October.

Equity Annuity Life Insurance Co.
April 21 filed $1,000,000 of Variable Annuity Policies. **Price**—No less than $120 a year for annual premium contracts and no less than $1,500 for single premium contracts. **Proceeds**—For investment, etc. **Office**—2480 16th Street, N. W., Washington, D. C. **Underwriter**—None.

Equity General Corp.
June 29 filed together with Development Corp. of America, registration statements seeking registration of securities, as follows: Equity General, 500,000 shares of common stock and 149,478 shares of preferred stock; and Development Corp., 500,000 shares of common stock. The Equity Corp. is the owner of 5,343,220 shares of Equity General common stock and proposes to offer 500,000 of such shares to the holders of Equity common in exchange therefor, on a one-for-one basis. Equity General is the owner of 2,399,504 shares of Development Corp. common and proposes to offer 500,000 of such shares to the holders of Equity General common in exchange therefor, on a one-for-one basis. The Board of Directors of Equity General has authorized the issuance of a maximum of 143,478 shares of Equity General preferred stock in exchange for shares of preferred stock of Development Corp., on the basis of one share of Equity General preferred for two shares of Development Corp. preferred. **Office**—103 Park Ave., New York City.

Faradyne Electronics Corp.
Sept. 1 filed 230,000 shares of common stock (par five cents) of which 200,000 shares are to be publicly offered. **Price**—$5 per share. **Proceeds**—For general corporate purposes, including plant expansion, improvement and equipment. **Office** — 744 Broad St., Newark, N. J. **Underwriters** — Netherlands Securities Co., Inc. (handling the books) and Herbert Young & Co., Inc. (jointly); Morris Cohon & Co.; Schrijver & Co.; Richard Bruce & Co., Inc., all of New York.

Fidelity Investment Corp., Phoenix, Ariz.
June 29 filed 1,799,186 shares of class A common stock, of which 1,700,000 shares are to be offered publicly, and the remaining 99,186 shares have been subscribed for in consideration for services rendered in organizing the company as an incentive to management. The company has agreed to issue to the organizers 200,000 shares of class B common stock; and 100,000 class B shares have been set aside for issuance to keep personnel other than the organizers. **Price**—To public, $3 per share. **Proceeds**—To be applied to pay interest due on properties and to purchase new properties and for working capital. **Underwriter**—None.

Financial Industrial Income Fund, Inc.
July 22 filed 1,000,000 shares of common capital stock **Price**—At market. **Proceeds**—For investment. **Office**—950 Broadway, Denver, Colo. **General Distributor**—FIF Management Corp., Denver, Colo.

First Northern-Olive Investment Co.
Aug 17 filed 20 partnership interests in the partnership. Similar filings were made on behalf of other Northern-Olive companies, numbered "second" through "eighth." **Price**—$10,084 to $10,698 per unit. **Proceeds**—To purchase land in Arizona. **Office**—1802 North Central Ave., Phoenix, Ariz. **Underwriter**—O'Malley Securities Co., Phoenix.

● First Philadelphia Corp. (10/1-7)
Aug. 21 (letter of notification) 100,000 shares of class A common stock (par 10 cents). **Price**—$3 per share (gross 30 cents per share to brokers selling 2,500 shares or less, and 45 cents per share to those brokers selling more than 2,500 shares). **Proceeds**—For working capital; general corporate purposes and to develop dealer relations. **Business** — A broker-dealer firm formed to underwrite and distribute new security issues. **Office**—40 Exchange Place, New York 5, N. Y. **Underwriter**—First Philadelphia Corp., New York, N. Y.

★ First United Life Insurance Co.
Sept. 28 filed 158,236 shares of common stock, to be offered to common shareholders of record Oct. 15 at the rate of one new share for each four shares then held. **Price**—$5 per share. For company reserves and expansion. **Office**—475-79 Broadway, Gary, Ind. **Underwriter**—None.

● First Virginia Corp. (10/5-9)
Sept. 16 filed 600,000 shares of class A common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To repay indebtedness, make additional investments in the common capital stock of subsidiary banks and, subject to the approval of the Federal Reserve System, purchase up to 3,600 shares of the common capital stock of The Purcellville National Bank, Purcellville, Loudon County, Va., for the approximate sum of $772,000 from J. R. Trammell & Co. **Office**—2924 Columbia Pike, Arlington, Va. **Underwriter**—Johnston, Lemon & Co., Washington, D. C.

★ Foster Grant Co., Inc. (10/29)
Sept. 25 filed 190,000 shares of common stock (par $1) of which 100,000 shares are to be sold for the account of the issuing company, and 90,000 shares are to be sold for the accounts of the present holders thereof. **Price**—To be supplied by amendment. **Proceeds** — To provide funds for construction. **Office**—Leominster, Mass. **Underwriter**—Goldman, Sachs & Co., New York.

● Foto-Video Laboratories, Inc.
July 15 filed 150,000 shares of class B common stock (par 10 cents). **Price** — $2 per share. **Proceeds** — For general corporate purposes, including the repaying of bank loans, the purchase of new equipment, and for working capital. **Office** — 36 Commerce Road, Cedar Grove, N. J. **Underwriter** — Arnold Malkan & Co., New York, has informed this newspaper that the statement has been withdrawn.

Foundation Balanced Fund, Inc.
June 18 filed 100,000 shares of common stock (par $1). **Price**—At market. **Proceeds**—For investment. **Office**—418 Union St., Nashville, Tenn. **Investment Adviser**—J. C. Bradford & Co., Nashville, Tenn. **Distributor**—Capital Planning Services, Inc.

Foundation Stock Fund, Inc.
June 18 filed 100,000 shares of common stock (par $1). **Price**—At market. **Proceeds**—For investment. **Office**—418 Union St., Nashville, Tenn. **Investment Adviser**— J. C. Bradford & Co., Nashville, Tenn. **Distributor**—Capital Planning Services, Inc.

Francis Co., Louisville, Ky.
Sept. 16 filed $433,125 of registered 6% debenture bonds, together with 144,375 shares of common stock, and voting trust certificates representing said stock. **Price**—$3,300 per unit of $2,475 principal amount of debenture bonds and 825 shares of common stock. **Proceeds** — To assist in the purchase of land and an office building and garage thereon, in Louisville. **Office** — 614 Kentucky Home Life Bldg., Louisville, Ky. **Underwriter**—None.

Franklin Discount Co.
Sept. 4 (letter of notification) $50,000 of 6-year 8% subordinated debentures. **Price**—At par. **Proceeds**—To purchase conditional sale contracts and for making loans. **Office**—105 N. Sage St., Toccoa, Ga. **Underwriter**—None.

Frantz Manufacturing Co. (10/21)
Sept. 11 filed 190,953 outstanding shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Business**—Company is engaged in the design, development, production and distribution of builders' hardware, primarily overhead type garage door hardware. **Office**—301 West 3rd St., Sterling, Ill. **Underwriter**—Blair & Co., Inc., New York.

Fredonia Pickle Co., Inc.
July 29 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For production, equipment, inventory and working capital. **Office**—Cushing & Union Streets, Fredonia, N. Y. **Underwriter**—Summit Securities, Inc., 130 William Street, New York, N. Y. **Offering**—Expected in three or four weeks.

● Fuller (H. B.) & Co.
Sept. 18 (letter of notification) 25,000 shares of common stock (par $1). **Price**—$4 per share. **Proceeds**—To retire some of the unfunded indebtedness and for working capital. **Office**—255 Eagle Street, St. Paul 3, Minn. **Underwriter**—None. No public offering will be made.

Fyr-Fyter Co.
Aug. 12 (letter of notification) 3,300 shares of 6% cumulative preferred stock. **Price**—At par ($30 per share). **Proceeds**—To go to selling stockholders. **Office**—2 West 46th St., New York 36, N. Y. **Underwriter**—None. **Offering**—Expected any day.

★ Gardner-Denver Co.
Sept. 24 filed 200,000 shares of common stock, 100,000 shares of which will be reserved for issuance under the company's Employee Stock Option Plan, and 100,000 shares of which are to be offered under and pursuant to its Employee Stock Purchase Plan. **Office**—Quincy, Ill.

Gateway Airlines, Inc.
Aug. 31 filed 400,000 shares of common stock (par 10 cents). **Price**—$1.50 per share. **Proceeds** — For general corporate purposes, including the purchase of airplanes, spare parts, and equipment, the retirement of debt, and the increase of working capital. **Office** — MacArthur Field, Islip, L. I., N. Y. **Underwriter**—Dunne & Co., New York.

● General Finance Corp.
Sept. 11 filed 150,000 shares of common stock. **Price**—$3 per share. **Proceeds**—For working capital, with $15,000 being allocated for lease improvements and equipment and supplies. **Office** — Santurce, Puerto Rico. **Underwriter**—Caribbean Securities Co., Inc., Avenida Condade 609, Santurce, Puerto Rico.

General Flooring Co., Inc. (10/12-16)
Sept. 14 filed $1,500,000 of 6½% debentures, due Oct. 1, 1969, and 270,000 shares of common stock, to be offered in units of $100 principal amount of debentures and 18 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes, including the reduction of indebtedness and the purchase and installation of machinery and equipment. **Address** — P. O. Box 8169, New Orleans, La. **Underwriters**—H. M. Byllesby & Co., Inc., Chicago, Ill.; Howard, Weil, Labouisse, Friedrichs and Co., New Orleans, La., and Mason-Hagan, Inc., Richmond, Va.

General Merchandising Corp., Memphis, Tenn.
Feb. 18 filed 250,000 shares of class "A" common stock (par one cent). **Price**—$10 per share. **Proceeds**—For working capital and general corporate purposes. **Underwriter** — Union Securities Investment Co., Memphis, Tenn. Statement effective April 24.

General Underwriters Inc.
April 6 (letter of notification) 225,000 shares of common capital stock (par 25 cents). Of the total, 195,000 shares are to be offered for the account of the company and 30,000 shares for a selling stockholder. **Price**—$1 per share. **Proceeds**—For furniture inventory and improved merchandising methods, to finance the real estate department and insurance policy loans. **Office**—211-215 Pine St., Pine Bluff, Ark. **Underwriter**—Lovan Securities Co., Inc., Pine Bluff, Ark. **Offering**—Expected any day.

Genesco, Inc.
July 29 filed 535,000 shares of common stock (par $1), to be offered to the common shareholders of The Formfit Co., Chicago, Ill., on the basis of 0.891⅔ shares of Genesco common stock for each share of Formfit common stock. [Genesco has agreed to exchange 454,318 shares of its common stock for an aggregate of 509,516 shares or approximately 84.9% of the common stock of Formfit.] **Office**—111 Seventh Avenue, North, Nashville, Tenn. **Underwriter** — None. Statement effective Sept. 14.

Gennaro Industries, Inc.
Aug. 28 (letter of notification) 200,000 shares of common stock (par 10 cents). **Price**—$1.50 per share. **Proceeds**—For additional plant, equipment, retirement of outstanding notes and payables and working capital. **Office**—337 E. Diamond Avenue, 17th & Hayes Street, Hazelton, Pa. **Underwriter**—Reilly, Hoffman & Co., Inc., New York, N. Y. **Offering**—Expected in the latter part of September.

Continued on page 56

Continued from page 55

Gold Medal Packing Corp.
June 18 filed 572,500 shares of common stock (par one cent), and 50,000 common stock purchase warrants. Of the shares 400,000 will be sold for the account of the company; 110,000 by certain stockholders; 12,500 for the underwriter; and the remaining 50,000 shares are purchasable upon exercise of the warrants. **Price**—$1.25 per share. **Proceeds**—For repayment of debt; purchase of equipment and facilities and other general corporate purposes. **Office**—614 Broad St., Utica, N. Y. **Underwriter**—Mortimer B. Burnside & Co., New York. **Name Change**—Formerly Eastern Packing Corp.

● **Gold Medal Studios, Inc. (10/26-30)**
Sept. 18 filed 500,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For general corporate purposes, including the purchase of additional studio equipment, investing in properties in the entertainment field, and the provision of funds for a down payment on another building or buildings. **Office**—307 E. 175th Street, New York, N. Y. **Underwriter**—Arnold Malkan & Co., Inc., New York.

Government Employees Variable Annuity Life Insurance Co.
Nov. 13 filed 2,500,000 shares of common stock (par $1) to be offered by company viz: (1) to holders of common stock (par $4) of Government Employees Insurance Co., on the basis of one warrant per share of stock held (1,334,570 shares are now outstanding); (2) to holders of common stock (par $1.50) of Government Employees Life Insurance Co., on the basis of 1½ warrants per share of stock held (216,429 shares are now outstanding); and (3) to holders of common stock (par $5) of Government Employees Corp., on the basis of ½ warrant per share of stock held (as of Dec. 31, 1958 there were 143,703 shares of stock outstanding and $589,640 of 5% convertible capital debentures due 1967, convertible into shares of common at $28.0374 per share. If all these debentures were converted into common stock prior to the record date, a total of 164,733 common shares would be outstanding. **Price**—$3 per share. **Proceeds**—For capital and surplus. **Office**—Government Employees Insurance Bldg., Washington, D. C. **Underwriters** — Johnston, Lemon & Co., Washington, D. C.; Eastman Dillon, Union Securities & Co., New York; and Abacus Fund, Boston, Mass.

Great American Publications, Inc.
Aug. 11 filed 260,000 shares of common stock (par 10 cents) of which 195,000 shares are to be publicly offered on a best efforts basis. **Price**—At market. **Proceeds** — For working capital. **Office** — New York. **Underwriter**—Mortimer B. Burnside & Co., Inc., New York.

Great Lakes Bowling Corp.
Aug. 31 filed 120,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes, including the development of bowling lanes, bars, and restaurants on various Michigan properties. **Office** — 6336 Woodward Ave., Detroit, Mich. **Underwriter**—Straus, Blosser & McDowell, Chicago, Ill.

Great Western Life Insurance Co.
June 29 filed 500,000 shares of common stock and options to purchase 200,000 additional shares of outstanding stock, to be offered in units, each consisting of five shares of common stock and an option to purchase two additional shares, the units to be offered for subscription by holders of the 1,500,000 outstanding common shares at the rate of one unit for each 15 shares held on or about Aug. 28, 1959; rights to expire on or about Sept. 28, 1959. The options evidence the right to purchase the 200,000 outstanding shares owned by Great Western Building & Loan Corp. **Price**—To be supplied by amendment. **Proceeds**—For loan to the subsidiary (Great Western Building & Loan Corp.); and the balance will be used to increase capital and surplus. **Office**—101-111 N. W. Second St., Oklahoma City, Okla. **Underwriters**—G. J. Mitchell, Jr. Co., Washington, D. C.; and Purvis & Co., Denver, Colo.

Growth Fund of America, Inc.
Feb. 4 filed 250,000 shares of common stock (par 10 cents). **Price**—At market. **Proceeds**—For investment. **Office** — 1825 Connecticut Avenue, Washington, D. C. **Investment Advisor** — Investment Advisory Service, Washington, D. C. **Underwriter**—Investment Management Associates, Inc., Washington, D. C.

Guarantee Mortgage, Inc.
Aug. 14 (letter of notification) $100,000 of 10-year 6% sinking fund debentures (in denominations of $1,000). Each debenture may be purchased with 100 warrants to buy one share of class A common stock (par $10). The right to purchase class A common stock by way of warrants will terminate Dec. 31, 1969. **Price**—90% without warrants. **Proceeds**—For investment purposes. **Office**—725 Failing Bldg., Portland 4, Ore. **Underwriter**—None.

★ **Guaranty Insurance Agency, Inc.**
See, Mortgage Guaranty Insurance Corp., below.

★ **Hoffman Electronics Corp.**
Sept. 25 filed $375,000 of Interests in its Employee Thrift Plan, together with 12,808 shares of common stock which may be acquired pursuant to said Plan. **Office**—3761 South Hill St., Los Angeles, Calif.

● **Guerdon Industries, Inc. (10/12-16)**
Aug. 21 filed 400,000 shares of class A common stock (no par). **Price**—To be supplied by amendment. **Proceeds**—To reduce bank indebtedness by $3,500,000, and to pay off $2,500,000 notes. **Office**—3762 South Van Dyke Road, Marlett, Mich. **Underwriter**—Blair & Co., Inc., New York.

● **Harnischfeger Corp.**
Aug. 28 filed 200,000 shares of common stock (par $10). **Price**—To be related to the market price of outstanding shares on the American Stock Exchange at the time of the offering. **Proceeds** — In part to repay outstanding unsecured short-term bank loans, expected to approximate $4,000,000, with the balance to be used for general corporate purposes. **Office** — 4400 W. National Ave., Milwaukee, Wis. **Underwriter**—The First Boston Corp., New York. **Offering**—Expected in October.

Hawaiian Telephone Co.
Sept. 11 filed 290,055 shares of common stock, a portion of which will be offered to holders of outstanding stock of record Sept. 18, 1959, on the basis of one new share for each seven shares then held, and the balance of which will be offered for subscription by employees. **Price**—To be supplied by amendment. **Proceeds**—To be applied toward the cost of the company's construction program, the payment of $5,300,000 of bank loans obtained for such program, and the refunding of debentures and preferred shares. **Office**—1130 Alakea Street. **Underwriter**—None.

Heliogen Products, Inc.
Oct. 22, 1958 (letter of notification) 28,800 shares of common stock (par $1). **Price**—$5 per share. **Proceeds**—For payment of past due accounts and loans and general working capital. **Office**—35-10 Astoria Blvd., L. I. C 3, N. Y. **Underwriter**—Albion Securities Co., 11 Broadway, New York 4, N. Y.

Hemisphere Gas & Oil Corp.
April 27 (letter of notification) 300,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—For development of oil and gas properties. **Office**—702 American Bank Building, Portland 5, Ore. **Underwriter**—D. Earle Hensley Co., Inc., 4444 California Avenue Seattle, Wash.

Hickok Electrical Instrument Co. (10/12-16)
Sept. 9 filed $500,000 of convertible subordinated debentures, due 1974, together with 100,000 shares of class A common capital stock, of which 90,000 shares are to be publicly offered, and 10,000 shares offered to employees. (Any unsubscribed shares will be offered to public.) **Price**—For the debentures; at 100% of principal amount. For the stock; to be supplied by amendment. **Proceeds**—For retirement of bank loans, for the construction of laboratories, and for working capital. **Office**—Cleveland, Ohio. **Underwriter**—Hayden, Miller & Co., Cleveland, Ohio.

★ **Hilton Hotels Corp.**
Sept. 29 filed $30,000,000 of subordinated sinking fund debentures due 1984, with warrants for purchase of 360,000 common shares. **Price**—To be supplied by amendment. **Proceeds** — For capital expenditures. **Office** — Chicago, Ill. **Underwriters**—Carl M. Loeb, Rhoades & Co., and Merrill Lynch, Pierce, Fenner & Smith Inc.

Hycon Manufacturing Co.
Aug. 28 filed 126,316 shares of common stock, which were issued to Avco Corp. on Dec. 8, 1958, at $2.375 per shares, and which will now be publicly offered by Avco. **Price**—To be related to the prices prevailing in the over-the-counter market at the time, or times, the stock is sold. **Office**—1030 South Arroyo Parkway, Pasadena. Calif. **Underwriters**—The offering will be made through registered brokers and dealers who are NASD members.

I C Inc.
June 29 filed 600,000 shares of common stock (par $1) **Price**—$2.50 per share. **Proceeds**—To further the corporate purposes and in the preparation of the concentrate and enfranchising of bottlers, the local and national promotion and advertising of its beverages, and where necessary to make loans to such bottlers, etc. **Office**—704 Equitable Bldg., Denver, Colo. **Underwriters**— Purvis & Co. and Amos C. Sudler & Co., both of Denver Colo.

Ideal Cement Co.
July 31 filed 675,000 shares of capital stock. These shares are being exchanged for all (but not less than 80%) of the common stock (par $1) of the Volunteer Portland Cement Co., in the ratio of 3⅜ shares of Ideal stock for each share of Volunteer stock. The exchange period will expire Oct. 2, 1959, unless extended by Ideal. No extension, however, will be made beyond Dec. 1, 1959, unless 80% or more of the outstanding shares of the common stock of Volunteer are tendered on or before said date. If 80% or more of such common stock has been so tendered Ideal, at its discretion, may continue its exchange. **Office**—500 Denver National Bank Building, 821 17th Street, Denver, Colo. Statement effective Sept. 1.

Industrial Leasing Corp.
June 1 (letter of notification) $200.000 subordinated convertible 6% debentures ($1,000 denomination) and $50.000 subordinated convertible 6% debentures ($500 denomination). **Price**—100% of principal amount. **Proceeds**—For working capital. **Office**—522 S. W. 5th Avenue, Portland 4, Ore. **Underwriter**—May & Co., Portland, Ore.

Industrial Vinyls, Inc.
Aug. 20 filed 200,000 shares of common stock (par 10 cents). **Price**—$2.50 per share. **Proceeds**—For the purchase of machinery and equipment to expand the company's facilities for handling thermoplastics, to reduce current bank borrowings, and for general corporate purposes including the addition of working capital. **Office**—5511 N. W. 37th Ave., Miami, Fla. **Underwriters** — The Robinson-Humphrey Co., Inc., Atlanta, Ga., and Clisby & Co., Macon, Ga.

★ **Inland Western Loan & Finance Corp.**
Sept. 24 filed $1,000,000 of 6% capital debentures. **Price**—To be supplied by amendment. **Proceeds**—To discharge loans from banks and from the Commercial Life Insurance Co.; to furnish operating capital for subsidiaries; and to establish new subsidiaries or branches of already existing ones. **Office**—10202 North 19th Ave., Phoenix, Ariz. **Underwriter**—The underwriters, if any, will be named by amendment.

● **Insul-Cup Corp. of America**
Sept. 18 (letter of notification) 300,000 shares of common stock (par one cent). **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—1938 Park Avenue, New York City, N. Y. **Underwriter**—The James Co., 12 E. 41st Street, New York. **Offering**—Expected in late October.

Inter-Island Resorts, Ltd.
Sept. 10 filed 99,000 shares of common stock (par $3) to be offered first to stockholders on the basis of one new share for each four shares held of record Oct. 10, 1959; rights to expire on Nov. 30. **Price**—To be supplied by amendment. **Proceeds**—For construction of a new hotel at Kalapaki Bay, on the Island of Kauai. **Office**—305 Royal Hawaiian Avenue, Honolulu, Hawaii. **Underwriter**—None.

International Bank, Washington, D. C.
Dec. 29 filed $5,000,000 of notes (series B, $500,000, two-year, 3% per unit; series C, $1,000,000, four-year 4% per unit; and series D, $3,500,000, 6-year, 5% per unit). **Price**—100% of principal amount. **Proceeds — For working capital. Underwriter**—Johnston, Lemon & Co., Washington, D. C. **Offering**—Indefinitely postponed.

● **International Tuna Corp.**
Aug. 11 (letter of notification) 175,000 shares of class A common stock (par 50 cents). **Price — $1 per share. Proceeds**—For equipment and working capital. **Office**—Pascagoula, Miss. **Underwriter**—Gates, Carter & Co., Gulfport, Miss.

● **Interstate Fire & Casualty Co. (10/27)**
Sept. 17 filed 85,000 shares of common stock (par $5). **Price**—To be supplied by amendment. **Proceeds**—For expansion. **Office** — 501 Livingston Bldg., Bloomington, Ill. **Underwriter**—White, Weld & Co., Inc., New York. **Offering**—Expected during the latter part of October.

Investment Trust for the Federal Bar Bldg.
Aug. 14 filed 500 Beneficial Trust Certificates in the Trust. **Price**—$2,600 per certificate. **Proceeds**—To supply the cash necessary to purchase the land at 1809-15 H St., N. W., Washington, D. C., and construct an office building thereon. **Office**—Washington, D. C. **Underwriters**—Hodgdon & Co. and Investors Service, Inc., both of Washington, D. C., and Swesnick & Blum Securities Corp.

Irando Oil & Exploration, Ltd.
April 24 filed 225,000 shares of common stock. Price—90 cents per share. Proceeds—To defray the costs of exploration and development of properties and for the acquisition of other properties; also for other corporate purposes. Office—1950 Broad St., Regina, Sask., Can. Underwriter — Laird & Rumball, Regina, Sask., Can.

● **Israel Development Corp.**
Sept. 22 filed 200,000 shares of common stock (par $25). **Price**—$27.50 per share, payable in cash or State of Israel Independence Issue or Development Issue bonds. **Proceeds**—For general corporate purposes. **Office**—New York City. **Underwriter**—None.

Jamaica Development Co., Inc.
June 15 filed 105,000 shares of common stock (par $1), being offered to stockholders of record Aug. 20, 1959 on a basis of 2⅓ new shares for each share held; rights to expire on Sept. 20, 1959, unsubscribed shares to public. **Price**—$10 per share. **Proceeds**—To be used for the purchase of land, cattle, machinery and equipment, fishing lodge, and development expense. **Office** — 1841 North Meridian St., Indianapolis, Ind. **Underwriter**—None. Statement effective Aug. 31.

★ **Jocelyn-Varn 1960 Oil Associates**
Sept. 28 filed 100 units of oil and gas exploration agreements. **Price**—$20,000 per unit. **Proceeds**—For locating, developing, and administering oil and gas producing properties. **Office**—310 KFH Building, Wichita, Kan. **Underwriter**—None.

Kentucky Central Life & Accident Insurance Co.
Aug. 28 filed 81,717 shares of common stock, of which Kentucky Finance Co., Inc. will offer its stockholders 51,000 shares. **Price**—Of 30,717 shares, $115 each; and of 51,000 shares, $116 each. **Proceeds**—To selling stockholders. **Office**—Anchorage, Ky. **Underwriter**—None.

Kilroy (W. S.) 1960 Co.
June 8 filed $3,500,000 of Participating Interests under Participant Agreements in the company's 1960 Oil and Gas Exploration Program, to be offered in amounts of $25,000 or more. **Proceeds**—Acquisition of undeveloped oil and gas properties. **Office**—2306 Bank of the Southwest Bldg., Houston Texas. **Underwriter**—None.

Kittanning Telephone Co., Kittanning, Pa.
Aug. 24 filed 14,000 shares of common stock, to be offered by subscription to holders of outstanding common stock on the basis of approximately 0.212 new shares for each share held. **Price**—$25 per share. **Proceeds**—In part to repay a bank loan in the amount of $450,000 representing funds acquired for general modernization, improvement, and expansion. **Underwriter**—None.

● **Knox Glass, Inc. (10/26-30)**
Sept. 23 filed 200,000 shares of capital stock (par $6.25). **Price** — To be supplied by amendment. **Proceeds** — Together with funds to be received froma $2,000,000 bank loan and a $6,000,000 long-term loan from an institutional investor, will be applied in part to repayment of all of the company's outstanding indebtedness, and the balance of the proceeds will be used to provide machinery, equipment and working capital for a proposed new plant in the southeastern part of the United States, and for general corporate purposes. **Underwriter**—Smith, Barney & Co., New York.

★ **L. & M. Tile Products, Inc.**
Sept. 22 (letter of notification) 15,000 shares of common stock. **Price**—At par ($10 per share). **Proceeds**—To retire outstanding debts, accounts payable and for work-

ing capital. **Office**—2821 Gilford St., Dallas, Tex. **Underwriter**—None.

● Lee Telephone Co.
Sept. 8 (letter of notification) 20,888 shares of common stock (par $10) being offered to stockholders of record Sept. 19, 1959 on the basis of one new share for each 9¼ shares then held; rights to expire Oct. 15. **Price** — $14 per share. **Proceeds**—To be used to curtail short-term bank loans. **Office**—127 E. Church St., Martinsville, Va. **Underwriter**—None.

Lenahan Aluminum Window Corp.
July 28 filed 157,494 shares of common stock, to be offered initially to stockholders on the basis of one new share for each two shares owned (with a 15-day standby). **Price** — $4 per share to stockholders; $5 to public. **Proceeds**—For inventory and for working capital. **Office**—Jacksonville, Fla. **Underwriter**—Plymouth Bond & Share Corp., Miami, Fla.

Lenkurt Electric Co.
Aug. 31 filed 10,000 outstanding shares of class B common stock. **Price**—$83.31 per share. **Proceeds**—To selling stockholder. **Office** — 1105 County Road, San Carlos, Calif. **Underwriter**—None.

Lester Engineering Co.
Sept. 2 (letter of notification) $300,000 of 6% convertible subordinated debentures due Sept. 15, 1976 to be offered for subscription by common stockholders on the basis of $50 of debentures for each 30 shares held. Debentures are convertible into common stock at $10 per share. **Price**—At face amount. **Proceeds**—With a long-term loan, for purchase of leased property and plant expansion. **Office**—2711 Church Avenue, Cleveland, Ohio. **Underwriter**—First Cleveland Corp., Cleveland, Ohio.

★ Life Insurance Co. of Florida
Sept. 28 filed 203,476 shares of common stock. **Price**—$4.50 per share. **Proceeds**—For expansion. **Office**—2546 S. W. 8th Street, Miami, Fla. **Underwriter**—Plymouth Bond & Share Corp., Miami.

● MCA, Inc. (10/8)
Sept. 8 filed 400,000 shares of common stock (no par). **Price**—To be supplied by amendment. **Proceeds**—To reduce short-term bank indebtedness and for working capital. **Business**—Engaged in the production and distribution of filmed series for television, etc. **Underwriter**—Lehman Brothers, New York.

M. & S. Oils Ltd.
May 11 filed 390,000 shares of common stock. **Price**—60 cents per share. **Proceeds** — For exploration, development and acquisitions. **Office**—5 Cobbold Block, Saskatoon, Saskatchewan, Canada. **Underwriter** — Cumberland Securities Ltd., Regina, Saskatchewan, Canada.

● Madison Gas & Electric Co.
Sept. 15 filed 82,000 shares of common stock (par $16), to be offered for subscription by the holders of outstanding common stock on the basis of one new share for each five shares held on or about Oct. 5. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—Madison, Wis. **Underwriter**—None.

Magnuson Properties, Inc.
June 29 filed 500,000 shares of class A common stock (amended on Aug. 24 to 150,000 shares of 6½% cumulative convertible preferred stock, par $10), and 150,000 shares of class A common stock, par $1, with common stock purchase warrants. Each share of class A common stock carries one warrant entitling the registered holder to purchase one share of such common stock at an initial price of $11 per share. **Price**—For preferred, at par; and for class A, $10.10 per share. **Proceeds**—$291,099 is to be expended during the period ending Aug. 31, 1960 for mortgage payments and releases; $465,000 will be paid on notes acquired by members of the Magnuson family in the transfers of subsidiaries and properties to the company; $106,000 will be used to close certain options and purchase contracts covering lands in the Melbourne-Cape Canaveral area; the balance will be added to the general funds of the company and used for general corporate purposes. **Office**—20 S. E. 3rd Ave., Miami, Fla. **Underwriter**—Blair & Co. Inc., New York. **Offering**—Expected this Fall.

● Matronics, Inc. (10/2)
June 29 filed 200,000 shares of capital stock (par 10¢). **Price**—$3.75 per share. **Proceeds**—For sales promotion, production test equipment, research and development, demonstrators for special systems, receivables, inventories, prepayment of notes and other purposes. **Office**—558 Main St., Westbury, L. I., N. Y. **Underwriters**—Vermilye Brothers; Kerbs, Haney & Co.; Mid-Town Securities Corp.; and Cortland Investing Corp., all of New York.

Mercantile Credit Corp.
Sept. 1 (letter of notification) 75,000 shares of common stock (par value 10 cents) and $100,000 of 6% five-year convertible debentures in denominations of $100, $500 and $1,000 each. **Price**—For the common stock, $2 per share. **Proceeds** — For working capital. **Office** — 940 Riato Bldg., Kansas City, Mo. **Underwriter**—McDonald Evans & Co., Kansas City, Mo.

Metallurgical Processing Corp., Westbury, N. Y.
Aug. 6 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—To retire debts; to acquire new equipment for processing metals and to expand its overall capacity; to move its facilities and new equipment into a new building and for further development and expansion. **Underwriter**—Netherlands Securities Co., Inc., New York, N. Y.

Microwave Electronics Corp.
July 2 filed $500,000 of 10-year 5% subordinated debentures due July 1, 1969 together with 250,000 shares of common stock (par 10 cents) to be offered in units of $10,000 principal amount of debentures and 5,000 common shares. An additional 136,000 shares may be issued in connection with the company's restricted stock option plan. **Price**—$10,500 per unit. **Proceeds**—To purchase machinery, equipment and other fixed assets, for operating expenses, and the remainder for working capital. **Office**—4061 Transport St., Palo Alto, Calif. **Underwriter**—None. **Financial Adviser**—Hill, Richards & Co., Inc., Los Angeles, Calif.

Mid-America Minerals, Inc.
June 22 filed $921,852 of Working Interests and Overriding Royalty Interests in 26 oil and gas leases covering lands in Green and Taylor Counties, Kentucky, some of the interest being producing interests and some non-producing. The offering is to be made initially to participants in the Mid-America Minerals, Inc., 1959 Fund. **Price**—$2,221.33 per smallest unit. **Proceeds**—For investment in oil and gas lands. **Office**—Mid-America Bank Bldg., Oklahoma City, Okla. **Underwriter**—None.

Mid-America Minerals, Inc.
Sept. 11 filed $1,875,000 of Participations in Oil and Gas Fund. **Price**—150 units will be offered at $10,000 each, and 150 units will be offered at $2,500 each. **Proceeds**—To facilitate the completion of oil and gas wells. **Office** — 500 Mid-America Bank Building, Oklahoma City, Okla. **Underwriters**—The offering will be made on a "best efforts" basis by the issuing company and Midamco, Inc., its subsidiary.

● Missile Systems Corp.
Aug. 28 (letter of notification) 63,000 shares of common stock (par 10 cents). **Price**—$4.75 per share. **Proceeds** To repay short-term bank notes; to purchase equipment and for working capital. **Office** — 11949 Vose Street, North Hollywood, Calif. **Underwriters**—J. A. Hogle & Co., New York, N. Y. and Warner, Jennings, Mandel & Longstreth, Philadelphia, Pa. **Offering**—Expected this week.

Mobile Credit Corp.
June 8 filed 15,000 shares of common stock to be offered for sale in Michigan and Pennsylvania. **Price**—$10 per share. **Proceeds**—To provide additional working capital for the purchase of vendors' interests in conditional sales contracts and other like evidences of indebtedness. **Office**—11746 Appleton Avenue, Detroit, Mich. **Underwriter**—None. Statement effective Aug. 3.

★ Montreal (City of) Canada
Sept. 25 filed $20,000,000 of sinking fund debentures for public works, due 1979. **Price** — To be supplied by amendment. **Proceeds** — To repay interim borrowings incurred by the City for various public works projects. **Underwriters**—To be supplied by amendment.

★ Mortgage Guaranty Insurance Corp.
Sept. 23 filed 40,000 shares of common stock in a joint registration with Guaranty Insurance Agency, Inc., which filed 10,000 shares of its own common stock. **Price**—$115 per unit of four shares of Mortgage common and one share of Guaranty common. **Proceeds**—Mortgage will use its proceeds for expansion; Guaranty will use its proceeds for additional working capital. **Office** — (of both firms) 606 West Wisconsin Ave., Milwaukee, Wis.

N. A. Building Associates
Sept. 4 filed $2,120,000 of Participations in Partnership Interests in Associates. **Price**—$10,000 per unit. **Proceeds**—To supply the cash and incidental expenses necessary to the purchase of the National Association Building, 25 West 43rd St., New York. **Office**—60 East 42nd St., New York. **Underwriter**—None.

● Narda Microwave Corp. (10/12-16)
June 16 filed 50,000 shares of common stock (par 10 cents) and 50,000 warrants to be offered in units, consisting of one share of common stock with attached warrant entitling the holder to purchase one additional share. The statement also includes an additional 10,000 shares of common stock reserved for issuance to key employees pursuant to options. **Price**—To be supplied by amendment. **Proceeds** — To be used to retire bank loans. **Underwriter**—Milton D. Blauner & Co., Inc., New York.

National Citrus Corp.
April 20 (letter of notification) 150,000 shares of common stock. **Price**—At par ($2 per share). **Proceeds**—For new equipment, inventory and working capital. **Address**—P. O. Box 1658, Lakeland, Fla. **Underwriter**—R. F. Campeau Co., Inc., Detroit, Mich. **Offering**—Expected in September. Statement to be amended.

● National Cleveland Corp., Cleveland, O. (10/6)
Aug. 18 filed $600,000 of convertible subordinated debentures, due Sept. 1, 1971. **Price**—To be supplied by amendment. **Proceeds**—To be used to retire short-term bank loans and for additional working capital. **Underwriters**—Loewi & Co. Inc., Milwaukee, Wis., and Merrill, Turben & Co., Inc., Cleveland, Ohio. **Offering**—Expected this week.

● National Co., Inc.
Aug. 28 filed 200,000 shares of common stock (par $1) of which 150,000 shares are to be offered for the account of the company and 50,000 shares for the account of the present holder thereof. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes, including the retirement of a bank loan in the amount of $675,000, which was incurred to retire certain 5% convertible debentures. **Office** — 61 Sherman St., Malden, Mass. **Underwriter** — White, Weld & Co., New York. This offering has been postponed due to market conditions.

National Industrial Minerals Ltd.
Aug. 4 filed 150,000 shares of common stock (no par). **Price** — $1 per share. **Proceeds** — To retire indebtedness for construction of plant and for other liabilities, and the remainder will be used for operating capital. **Office** — Regina, Saskatchewan, Canada. **Underwriter**—Laird & Rumball Ltd., Regina, Saskatchewan, Canada.

● National Key Co., Cleveland, Ohio (10/12-16)
Sept. 17 filed 200,000 shares of class A common stock (par 50 cents) of which 75,000 shares are to be sold for the account of the issuing company and 125,000 shares for the account of selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes, including the purchase from Grant Ave. Realty Corp., at seller's cost, about 6.25 acres of Cleveland land, on which a building is being constructed which will house the issuing company's executive offices and Cleveland operations. **Underwriter**—C. E. Unterberg, Towbin Co., New York.

National Life & Casualty Insurance Co.
March 25 filed 250,000 shares of common capital stock to be offered to holders of certain of company's life insurance policies issued on or prior to Dec. 31, 1955, and to certain employees. **Price**—$4.44 per share. **Proceeds** — To increase capital and surplus. **Office** — 2300 North Central Avenue, Phoenix, Ariz. **Underwriter**—None.

★ National Munsey Co.
Sept. 28 filed 293 limited partnership interests. **Price**—$5,000 per unit. **Proceeds**—To purchase land and erect buildings thereon. **Office**—535 Fifth Avenue, New York City. **Underwriter**—Tenney Securities Corp.

★ National Union Fire Insurance Co. (Pittsburgh, Pa.) (10/19)
Sept. 24 filed 200,000 shares of capital stock (par $5) to be offered for subscription by stockholders of record Oct. 16, 1959, on the basis of one additional share of capital stock for each three shares then held; rights to expire on Nov. 16. **Price**—To be supplied by amendment. **Proceeds**—To increase capital and surplus. **Underwriter**—The First Boston Corp., New York.

Nationwide Auto Leasing System, Inc.
July 16 (letter of notification) 142,500 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For financing of leased cars and for general corporate purposes. **Underwriter**—Investment Bankers of America, Inc., Washington, D. C.

Nedow Oil Tool Co.
May 5 (letter of notification) 150,000 shares of common stock (par 50 cents). **Price**—$2 per share. **Proceeds**—To acquire fishing tools for leasing; and for working capital. **Address**—P. O. Box 672, Odessa, Texas. **Underwriters**—To be designated.

Nielsen-Tupper Instruments, Inc.
Aug. 19 (letter of notification) 29,399 shares of class A common stock. **Price**—At par ($1 per share). **Proceeds**—To purchase machines, tools, office equipment, furniture, drafting and printing equipment and for working capital. **Office** — 1411 Fourth Ave., Seattle 1, Wash. **Underwriter**—Crawford Goodwin Co., Seattle, Wash.

North Carolina Telephone Co.
Sept. 4 filed 576,405 shares of common capital stock, to be offered for subscription by holders of outstanding stock in the ratio of two new shares for each five shares held. **Price**—$2 per share. **Proceeds**—To reduce indebtedness with the balance, if any, to be used as working capital. **Office**—Matthews, N. C. **Underwriter**—One or more security dealers will be offered any shares not subscribed for at $2 per share.

Northern Insurance Co. of New York
Sept. 10 filed 56,000 shares of capital stock (par $12.50), to be offered in exchange for shares of the capital stock of Maine Bonding & Casualty Co. at the rate of 56/100ths of a share of Northern for each share of capital stock (par $10) of Maine. The exchange offer will expire at the close of business on Dec. 31, 1959, provided that at least 80,000 shares of Maine stock have been tendered for exchange prior to the close of business Nov. 9, 1959. In the event less than 80,000 shares of Maine stock are tendered prior to the close of business Nov. 9, 1959, no shares will be exchanged and all shares of Maine stock will be returned to the tendering stockholders. **Office**—83 Maiden Lane, New York 38, N. Y.

Northern Natural Gas Co. (10/15)
Sept. 18 filed 200,000 shares of cumulative preferred stock ($100 par). **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes, including the providing of funds for the company's 1959 construction program, the repayment of a portion of the bank loans incurred therefor, and the purchase of securities to be issued by subsidiary companies for the costs of their construction. **Office**—2223 Dodge St., Omaha, Neb. **Underwrtier**—Blyth & Co., Inc., New York.

Northern Properties, Inc.
Sept. 8 filed 150,000 shares of common stock (par $2.50). **Price**—$5 per share. **Proceeds**—To acquire and develop various properties in New York State. **Office**—Hartsdale, N. Y. **Underwriter**—Alkow & Co., Inc., New York. **Offering**—Expected in late October or early November.

● Oak Valley Sewerage Co.
June 30 (letter of notification) $145,000 of 5½% first mortgage bonds series of 1958. **Price**—At par. **Proceeds**—To repay to Oak Valley, Inc. a portion of the cost of construction of sewerage collection and disposal system and to pay the costs and expenses of financing. **Office**—330 Main St., Mantua, N. J. **Underwriter**—Bache & Co., Philadelphia, Pa. **Offering**—Expected in mid-Oct.

● Oak Valley Water Co.
June 30 (letter of notification) $125,000 of 5½% first mortgage bonds series of 1958. **Price**—At par. **Proceeds**—To repay Oak Valley, Inc. a portion of the cost of construction of the water supply and distribution system; to pay the cost of a new 12 inch well to increase the company's supply of water; and to pay the costs and expenses of financing. **Office**—330 Main St., Mantua, N. J. **Underwriter** — Bache & Co., Philadelphia, Pa. **Offering**—Expected in mid-October.

Continued on page 58

Continued from page 57

Oil, Gas & Minerals, Inc.
April 2 filed 260,000 shares of common stock (par 35 cents. **Price**—$2 per share. **Proceeds**—To retire bank loans and for investment purposes. **Office**—513 International Trade Mart, New Orleans, La. **Underwriter**—Assets Investment Co., Inc., New Orleans, La. The SEC has scheduled a hearing, to begin on Sept. 2, to determine whether a stop order should be issued suspending the offering.

Oil Recovery Corp. (10/13)
Sept. 15 filed $550,000 of 6% convertible subordinated debentures, due 1974, and 5,500 shares of common stock, to be offered in units of $500 of debentures and 5 shares of stock. **Price**—To be supplied by amendment. **Proceeds** — For general corporate purposes, including the acquisition and development of properties for secondary oil recovery purposes. **Office**—405 Lexington Ave., New York City. **Underwriter**—Lehman Brothers, New York.

★ **Palestine Economic Corp.**
Sept. 28 filed 124,000 shares of common stock. **Price**—$25 per share, payable in cash, State of Israel bonds at par, or both. **Proceeds**—For general corporate purposes bearing on the further development of industry and agriculture in Israel. **Office**—18 East 41st Street, New York. **Underwriter**—None.

Pan-Alaska Corp.
Aug. 7 filed 2,612,480 shares of common capital stock to be issued pursuant to options held by Marine Drilling, Inc. Latter company will, in turn, offer its stockholders rights to purchase two shares of Pan-Alaska common, at 20 cents a share, for each share of Marine Drilling stock. Marine Drilling also plans to sell 250,000 shares of the 680,000 shares of Pan-Alaska it now owns. **Underwriter**—Any stock not subscribed for by holders of Marine Drilling will be publicly offered by Crerie Co., Houston, Texas and Clark, Landstreet & Kirkpatrick, Inc., Nashville, Tenn., at a price of 20 cents a share.

• **Pantasote Co. (10/19-23)**
Aug. 28 filed $2,700,000 of 6% subordinated sinking fund debentures, due Oct. 1, 1974 (with warrants attached entitling the holder to purchase 50 shares of common stock of the issuing company for each $500 of debentures). **Price** — 100% and accrued interest. **Proceeds** — For construction, equipping, and placing in operation of a new plant, with the balance to be used for general corporate purposes. **Office**—26 Jefferson St., Passaic, N. J. **Underwriter**—Blair & Co. Inc., New York.

Participating Annuity Life Insurance Co.
June 4 filed $2,000,000 of variable annuity policies. **Proceeds** — For investment. **Office** — Hathcock Building, Fayetteville, Ark. **Underwriter**—None.

Pathe News, Inc.
Sept. 17 filed 400,000 shares of common stock (par 10 cents) with warrants to purchase an additional 100,000 common shares at $3.25 per share. **Price** — $3.75 per share, with warrants. **Proceeds**—For general corporate purposes, including the addition of working capital, the reduction of indebtedness, and the provision of the $173,000 cash required upon the exercise of an option to purchase the building at 245-249 W. 55th St., New York. **Office**—245 W. 55th St., New York. **Underwriter**—Chauncey, Walden, Harris & Freed, Inc., New York. **Offering**—Expected in about 30 days.

Peckman Plan Fund, Inc., Pasadena, Calif.
May 19 filed 20,000 shares of common stock (par $1) **Price**—At market. **Proceeds**—For investment. **Underwriter**—Investors Investments Corp., Pasadena, Calif.

Perfect Photo, Inc. (10/5-9)
Sept. 14 filed 150,000 shares of common stock (par 20 cents) of which 60,000 shares are to be offered for the account of the company and 90,000 shares for the account of Karl Hope, President. **Price** — To be supplied by amendment. **Proceeds**—For working capital and the construction or acquisition of additional film processing and printing facilities. **Office**—4747 North Broad St., Philadelphia, Pa. **Underwriter**—Drexel & Co., Philadelphia.

• **Philadelphia Electric Co. (10/14)**
Sept. 17 filed $50,000,000 of first and refunding mortgage bonds, series due Oct. 1, 1989. **Proceeds**—For expansion program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Equitable Securities Corp.; Kidder, Peabody & Co., Eastman Dillon, Union Securities & Co., Merrill Lynch, Pierce, Fenner & Smith Inc., and White, Weld & Co. (jointly); The First Boston Corp. **Bids**—Expected to be received up to noon (EDT) on Oct. 14.

• **Photo-Marker Corp.**
Sept. 14 (letter of notification) 50,000 shares of common stock (par 50 cents). **Price**—$5 per share. **Proceeds**—For acquisition of a coating plant; establishment of eight new branch offices; moving to larger quarters and further research. **Office**—153 W. 36th St., New York 18, N. Y. **Underwriters**—Marron, Edens, Sloss & Co., Inc., New York, N. Y., and First Albany Corp., Albany, N. Y.

• **Pik-Quick, Inc.**
Sept. 17 filed 500,000 shares of common stock (par $1). **Price**—$3.50 per share. **Proceeds**—To place in operation 15 food markets in Florida, three of which will be located near West Palm Beach. These three have been leased from International Properties, Inc., a newly-formed Minneapolis real estate firm for 15 years, with options to renew. **Office** — Baker Bldg., Minneapolis, Minn. **Underwriter** — Craig-Hallum, Inc., Minneapolis, Minn.

Pilgrim National Life Insurance Co. of America
Sept. 17 filed 100,000 shares of common stock, of which 55,000 shares are to be offered first to stockholders of record Aug. 31, 1959, and 45,000 shares (minimum) are to be offered to the public, which will also be offered any shares unsubscribed for by said stockholders. **Price**—$5 per share. **Proceeds**—For general corporate purposes, possibly including the enabling of the issuing company to make application for licenses to conduct its insurance business in States other than Illinois, the sole State in which it is presently licensed. **Office**—222 W. Adams St., Chicago, Ill. **Underwriter**—None.

Planholders Institute, Inc.
Sept. 11 filed $2,000,000 of Selected Plans. **Proceeds**—For investment. **Office**—26 Broadway, N. Y. C. **Underwriter**—The issuing company will serve as underwriter.

• **Porce-Alume, Inc.**
Aug. 3 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For expansion. **Office**—Alliance, Ohio. **Underwriter**—Pearson, Murphy & Co., Inc., New York. **Offering** — Expected in early October.

• **Powell River Co., Ltd.**
Aug. 20 filed 4,500,000 ordinary shares (no par) to be offered, following a two-for-one stock split in September to holders of record of, and in exchange for outstanding class A and class B shares of MacMillan & Bloedel, Ltd., on the basis of seven shares of Powell River stock for three shares of MacMillan & Bloedel stock, whether class A or class B. Thereafter, the name of the issuing company would be changed to MacMillan, Bloedel & Powell River, Ltd. **Office** — 1204 Standard Bldg., Vancouver, B. C., Canada. **Dealer-Managers**—White, Weld & Co., Wood, Gundy & Co., Inc., and Greenshields & Co., all of New York; and Wood, Gundy & Co., Ltd., and Greenshields & Co., Inc., of Canada. Registration statement to become effective Oct. 5-9.

Producers Fire & Casualty Co., Mesa, Ariz.
March 31 filed 400,000 shares of common stock to be offered for subscription by holders of stock purchase rights acquired in connection with life insurance policies issued by Dependable Life Insurance Co. and to certain agents and brokers of Producers Fire & Casualty Co. **Price**—$5 per share. **Proceeds**—For working capital. **Underwriter**—None.

★ **Professional Finance Co.**
Sept. 22 (letter of notification) 125,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For working capital. **Office**—c/o Charles E. Coleman, Pres., 3300 West Grand Ave., Littleton, Colo. **Underwriter**—The issue will be underwritten by R. W. Newton, Secretary-Treasurer.

Puget Sound Power & Light Co. (10/28)
Sept. 21 filed $20,000,000 of first mortgage bonds, series due Nov. 1, 1989. **Proceeds**—To repay outstanding bank loans, due Jan. 1, 1960, incurred to finance construction, which bank loans are expected to aggregate about $23,-000,000 at the time of such sale. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc., and Lehman Bros. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.; Stone & Webster Securities Corp.; The First Boston Corp. and Smith, Barney & Co. (jointly). **Bids**—Expected to be received up to noon (EST) on Oct. 28.

★ **Puritan Fund, Inc.**
Sept. 28 filed 2,000,000 additional shares of capital stock. **Proceeds**—For investment. **Office**—Boston, Mass.

★ **Pyramid Holding Co.**
Sept. 23 (letter of notification) 80,000 shares of common stock (par $1). **Price** — $3 per share. **Proceeds** — For working capital. **Office**—Cheney Bldg., 139 N. Virginia St., Reno, Nev. **Underwriter**—None.

• **Rad-O-Lite, Inc.**
July 8 filed 300,000 shares of common stock (par 25¢). **Price** — $1.50 per share. **Proceeds** — For general corporate purposes. **Office**—1202 Myrtle St., Erie, Pa. **Underwriter**—John G. Cravin & Co., New York. **Offering**—Expected in October.

Radiant Lamp & Electronics Corp.
Sept. 4 filed $250,000 of 6% ten-year subordinated convertible sinking fund debentures, series II, due Oct. 15, 1969, and 120,000 shares of class A stock (par 10 cents). **Price** — For debentures, 100% of principal amount; for stock, $5 per share. **Proceeds**—To acquire Radiant Lamp Corp., of Newark, N. J., with the balance to be used as working capital. **Office**—40 Washington Place, Kearney, N. J. **Underwriter**—Amos Treat & Co., Inc., New York. **Offering**—Expected in October.

Radiation Dynamics, Inc., Westbury, N. Y.
Sept. 8 filed 25,000 shares of common stock. The company proposes to offer to its stockholders the right to subscribe to 11,325 shares at $10 per share, with warrants to purchase an equal number of common shares at $12.50 per share, on the basis of one new share for each four shares held. Hayden Stone & Co. has agreed to purchase 2,500 shares for its own account and to use its best efforts to place 11,175 shares with certain selected investors at $10 per share, with warrants to purchase an equal number of shares at $12.50 per share. **Proceeds**—For working capital. **Office**—1800 Shames Drive, Westbury, L. I., N. Y. **Underwriter**—Hayden, Stone & Co., New York.

Radio City Products Co., Inc.
Aug. 17 (letter of notification) 100,000 shares of common stock (par 25 cents). **Price**—$3 per share. **Proceeds**—For machinery and electronic test equipment, environmental testing equipment, placing accounts payable on discount basis, retiring trade notes, retiring loans outstanding, research and development and for working capital. **Office** — Centre & Glendale Sts., Easton, Pa. **Underwriter**—None.

• **Radio Frequency Company, Inc. (10/5-9)**
Aug. 12 (letter of notification) 100,000 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For general corporate purposes. **Office** — Medfield, Mass. **Underwriter**—Myron A. Lomasney & Co., New York.

• **Random House, Inc.**
Aug. 27 filed 222,060 outstanding shares of common stock (par $1). **Price** — To be supplied by amendment. **Proceeds**—To selling stockholders. **Office** — 457 Madison Ave., New York. **Underwriter**—Allen & Co., New York. **Offering**—Expected today (Oct. 1).

Raub Electronics Research Corp.
July 15 filed 165,000 shares of common stock (par $1), subsequently reduced by amendment to 115,500 shares, of which 100,000 shares will be offered to the public. **Price**—$8.50 per share. **Proceeds**—For general corporate purposes. **Office**—1029 Vermont Avenue, N. W., Washington, D. C. **Underwriter**—Weil & Co., Washington, D. C.

Raymond Service, Inc. (10/7)
Sept. 3 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For machinery and equipment; retiring current indebtedness; a sales development program and working capital. **Office**—36-40 37th Street, Long Island City, L. I., N. Y. **Underwriter**—The James Co., New York, N. Y.

Realsite, Inc.
July 28 filed 200,000 shares of class A stock. **Priced**— $3 per share. **Proceeds**—To pay off mortgages and for working capital. **Office**—Jamaica, L. I., N. Y. **Underwriter**—Robert L. Ferman & Co., Miami, Fla. **Offering**—Expected in about three weeks.

★ **Rek-O-Kut Co., Inc.**
Sept. 25 filed 214,000 shares of common stock, of which 142,666 shares are to be offered for the account of the issuing company and 71,334 shares are to be offered for the accounts of the present holders thereof. **Price** — $3.50 per share. **Proceeds** — For general corporate purposes, including the repayment of indebtedness and for tooling and production. **Office**—38-19 108th St., Corona, L. I., N. Y. **Underwriter**—D. A. Lomasney & Co., New York.

• **Republic Resources & Development Corp.**
June 29 filed 1,250,000 unit shares of capital stock (par one Philippine centavo). **Price**—$2 per unit of 200 shares. **Proceeds**—To be used in the company's oil exploration program for the purchase of oil exploration and drilling equipment, supplies and materials; to contract with U. S. geophysical contractors for technical services; and to pay its pro rata shares of the dollar exploration expenses under its agreement with three other companies for joint exploration of concessions held in the Philippines. **Office**—410 Rosario St., Binondo, Manila, Philippines. **Underwriter**—John G. Cravin & Co., Inc., New York. **Offering**—Expected in early October.

Ritter (P. J.) Co., Bridgeton, N. J.
June 18 filed 4,827 shares of preferred stock, non-cumulative, voting, (par $100) and 60,018 shares of common stock (no par) to be offered to the holders of preferred and common stock of Brooks Foods, Inc., at the rate of one share of Ritter preferred stock for each share of preferred stock of Brooks and two shares of common stock of Ritter for each share of common stock of Brooks. The exchange offer is being made by Ritter in accordance with its agreement with Brooks and certain of its stockholders who own an aggregate of 18,805 shares of its outstanding common stock, or approximately 62.5% of such stock, and who have agreed to accept the exchange offer upon effectiveness of the registration statement.

★ **Rochester Gas & Electric Corp. (10/22)**
Sept. 25 filed $12,000,000 of first mortgage bonds, series E, due 1989. **Proceeds**—For general corporate purposes, including the repayment of loans incurred to finance construction, which amounted to $10,950,000 at Sept. 21. **Underwriter**—To be determined by competitive bidding. Probable bidders: Kidder, Peabody & Co.; White, Weld & Co.; Shields & Co. **Bids**—Expected to be received on Oct. 22.

Rondout Corp.
Sept. 4 filed 155,000 shares of common stock, of which 140,000 shares are to be publicly offered. **Price**—$3.50 per share. **Proceeds**—To buy the capital stock of Rondout Paper Mills, Inc., and to purchase notes of said company, currently held by Arrowsmith Paper Corp., with the balance to be used for general corporate purposes, including working capital. **Office**—785 Park Ave., New York, the address of the corporation as given in the registration statement, is the home address of Leif B. Norstrand, President of the issuing company. Pursuant to the contemplated merger of Rondout Paper Mills, Inc. into Rondout Corp., it is anticipated that Rondout Corp., as the surviving company, will conduct its business from 41 E. 42nd St., New York, the present office of Rondout Paper Mills, Inc. **Underwriters** — Sandkuhl & Co., Inc., Newark, N. J.; and S. B. Cantor Co., New York. **Offering**—Expected sometime in October.

• **Roto-American Corp.**
Aug. 28 (letter of notification) 80,000 shares of common stock. **Price**—$3.75 per share. **Proceeds**—To redeem preferred and common stock outstanding held by Roto Bag, a wholly-owned subsidiary; for the purchase of new tooling to expand production; for working capital and general corporate purposes. **Office**—93 Worth St., New York, N. Y. **Underwriter**—Morris Cohon & Co., New York, N. Y. **Offering**—Expected any day.

Roulette Records, Inc.
Aug. 27 filed 330,000 shares of common stock (one cent), of which 300,000 shares are to be publicly offered. **Price**—$3.50 per share. **Proceeds**—For general corporate purposes, including moving to new quarters and installing executive offices and sound studio facilities therein, acquiring technical equipment and machinery, and adding to working capital. **Office** — 659 10th Avenue, New York. **Underwriter**—Chauncey, Walden, Harris & Freed, Inc., 580 Fifth Avenue, New York. **Offering**—Expected in three or four weeks.

★ Ruberoid Co.
Sept. 28 filed 290,000 shares of capital stock, which were given in exchange for all the assets of Mastic Tile Corp. of America on Sept. 30. **Office**—South Bound Brook, Somerset County, N. J.

St. Regis Paper Co.
June 26 filed 30,000 shares of common stock (par $5). The company proposes to offer this stock in exchange for outstanding shares of common stock of Lone Star Bag and Bagging Co. on the basis of 0.6782 of a share of St. Regis common for each share of Lone Star common. St. Regis will declare the exchange offer effective if 95% of the outstanding shares of Lone Star common are deposited for exchange, and may elect to do so if a lesser percent, but not less than 80%, of all the Lone Star common will enable it to control the business operations and policies of Lone Star.

St. Regis Paper Co.
Aug. 12 filed 453,731 shares of common stock, to be offered in exchange for the outstanding shares of the capital stock of the Cornell Paperboard Products Co. on the basis of .68 of a share of St. Regis common for each share of Cornell capital stock. The offer will be declared effective if 90% of the outstanding shares of the Cornell stock are deposited for exchange, and may be declared effective if 80% of said shares are so deposited. **Office**—150 E. 42nd Street, New York.

Samson Convertible Securities Fund, Inc.
July 15 filed 200,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For investment. **Office**—23 Hazelton Circle, Briarcliff Manor, N. Y. **General Distributor**—Samson Associates, Inc. **Offering**—Expected in late October.

★ Scaico Controls, Inc.
Sept. 23 (letter of notification) 240,000 shares of common stock (par 10 cents). **Price**—$1.25 per share. **Proceeds**—For research and development; increaese of plant facilities; sales and training program; sales promotion and for general corporate purposes. **Office**—P. O. Box 41, 450 Cooper St., Delanco, N. J. **Underwriter**—Albion Securities Co., Inc., 11 Broadway, New York 4, N. Y.

★ Scudder, Stevens & Clark Fund, Inc.
Sept. 28 filed 150,000 additional shares of capital stock. **Proceeds**—For investment. **Office**—Boston, Mass.

★ Scudder, Stevens & Clark Common Fund, Inc.
Sept. 28 filed 300,000 additional shares of capital stock. **Proceeds**—For investment. **Office**—Boston, Mass.

★ Seneca Gas & Oil Corp.
Sept. 15 (letter of notification) 100,000 shares of common stock (par 20 cents). **Price**—$3 per share. **Proceeds**—For expenses in developing oil and gas properties. **Office**—601 G. Daniel Baldwin Bldg., Erie, Pa. **Underwriter**—None.

Service Life Insurance Co.
Aug. 25 filed 25,000 outstanding shares of common stock (par $1). **Price** — $20 per share. **Proceeds** — To selling stockholder. **Office**—400 West Vickery Blvd., Fort Worth, Texas. **Underwriter**—Kay and Company, Inc., Houston, Texas.

Servo Corp. of America (10/20-23)
Sept. 11 filed $1,000,000 of conv. subord. debens. due Oct. 1, 1974. **Price**—100% of principal amount. **Proceeds**—$300,000 for working capital; $300,000 for increased development and research, with particular attention to civilian products; $200,000 for plant relocation and consolidation at the Hicksville, N. Y., site and for expansion of equipment; $100,000 for sales promotion and related activities; and $100,000 for general corporate purposes. **Office**—20-20 Jericho Turnpike, New Hyde Park, L. I., N. Y. **Underwriter**—Ira Haupt & Co., New York.

Shares in American Industry, Inc.
Dec. 12 filed 50,000 shares of common stock. **Price**—At market. **Proceeds**—For investment. **Office**—1033-30th Street, N. W., Washington 7, D. C. **Investment Advisor**—Investment Fund Management Corp. **Former Name**—Shares in America, Inc.

★ Shelbourne Realty & Construction Corp.
Sept. 17 (letter of notification) 148,500 shares of class A common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For working capital. **Office**—15 William St., New York 5, N. Y. **Underwriters**—C. H. Abraham & Co., Inc., B. Fennekohl & Co., and Louis L. Rogers Co., all of New York, N. Y. and Maryland Securities Co., Inc., Baltimore, Md. **Offering**—Expected in October.

● Shell Electronics Manufacturing Corp. (10/19-23)
Aug. 28 filed 170,000 shares of common stock (par 10 cents). **Price**—$2 per share. **Proceeds**—For general corporate purposes, including the repayment of indebtedness, the purchase of equipment, and for working capital. **Office** — 112 State St., Westbury, L. I., N. Y. **Underwriter**—Schweickart & Co., New York.

★ Sheraton Corp. of America
Sept. 28 filed $3,500,000 of memberships in the Sheraton Employees Savings Plan of the company and participating subsidiary companies, together with $750,000 of debentures, $500,000 of bonds, and 60,000 shares of common stock of the company which may be acquired pursuant to the said plan. **Office**—Boston, Mass.

Shield Chemical Ltd.
Sept. 8 (letter of notification) 95,000 shares of capital stock (par 10 cents). **Price**—$1.50 per share. **Proceeds**—To purchase and install manufacturing equipment; control and test equipment; advertising and for working capital. **Office**—17 Jutland Road, Toronto, Canada. **Underwriter**—Peters, Writer & Christensen, Inc., Denver, Colorado.

● Simon Hardware Co. (10/19-23)
Sept. 14 filed $800,000 of 7% sinking fund subordinated debentures, due Sept. 30, 1971, and 80,000 shares of common stock (no par), to be offered in units of $1,000 principal amount of debentures and 100 shares of common stock, transferable only as units until March 31, 1960. The securities will also be offered in half-units of one $500 debenture and 50 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To open one or more additional retail stores in Northern California, with the balance to be used for general corporate purposes. **Office** — 800 Broadway, Oakland, Calif. **Underwriters**—J. S. Strauss & Co., and York & Co., both of San Francisco, Calif., and Mason Brothers, Oakland, Calif.

Sire Plan of Tarrytown, Inc.
July 13 filed $900,000 10-year 6% debentures and 18,000 shares of $3 cumulative, non-callable, participating preferred stock (par $10). **Price**—$100 per unit consisting of one $50 debenture and one share of preferred stock. The minimum sale is expected to be five units. **Proceeds**—For general corporate purposes incidental to the acquisition of land and buildings in Tarrytown, N. Y., and alterations and construction thereon. **Office**—115 Chambers Street, New York City. **Underwriter**—Sire Plan Portfolios, Inc., 115 Chambers Street, New York City. **Offering**—Expected in October.

Skaggs Leasing Corp.
June 4 (letter of notification) 240,000 shares of common stock (par $1). **Price**—$1.25 per share. **Proceeds**—For general corporate purposes. **Underwriter**—Harrison S. Brothers & Co., Salt Lake City, Utah.

Skiatron Electronics & Television Corp.
Aug. 18 filed 172,242 shares of common stock (par 10 cents), of this stock, 128,500 shares were issued or are to be issued pursuant to warrants issued in 1956; 13,742 shares are to be issued to various persons in lieu of cash for services rendered, pursuant to authorization of the directors in January 1958; 30,000 common shares are to be offered by owner Arthur Levey for sale by brokers. **Proceeds**—For working capital. **Office**—New York City. **Underwriter**—None. No. public offering is planned.

● Sottile, Inc. (Formerly South Dade Farms, Inc.)
July 29 filed 2,000,000 shares of common stock (par $1), of which 1,543,000 shares are to be issued and sold for the account of the company, and 457,000 shares, representing outstanding stock, to be sold for the accounts of certain selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—To retire 70% of the common stock outstanding at the date of the stock offering; to invest in the capital stocks of six of the company's seven bank subsidiaries; to repay a bank loan of $6,400,-000; to add to working capital; to retire certain long-term indebtedness; and to develop citrus groves. **Office**—250 South East First Street, Miami, Fla. **Underwriter**—Bear, Stearns & Co., New York. **Offering**—Expected in October.

Southeastern Development Corp.
Aug. 14 filed 738,964 shares of common stock (par $1), of which 340,000 shares will be offered publicly. Each purchaser is also to receive a non-transferable option to purchase a like number of shares on or before April 7, 1960 exercisable at $2.50 per share. Of the total, 37,429 shares are to be issued in exchange for outstanding shares of Southeastern Building Corp., on a one-for-one basis, conditional upon the tender of sufficient Building stock for exchange so that the Development Corp. will own at least 75%; 21,535 shares are covered by outstanding warrants which are exercisable at $2.50 per share. **Price**—For public offering, $2.50 per share. **Proceeds** — To be used to complete building program of Southeastern and to expand other divisions. **Office**—Hattiesburg, Miss. **Underwriter**—None.

★ Southern Bell Telephone & Telegraph Co. (10/20)
Sept. 25 filed $70,000,000 of 35-year debentures, due 1994. **Proceeds**—To repay loans from American Telephone & Telegraph Co., the issuer's parent company, which are expected to approximate $64,00,000 at the time the proceeds are received, and which were incurred mainly for property additions and improvements. **Office** — 67 Edgewood Ave., S.E., Atlanta, Ga. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. **Bids**—Expected to be received on Oct. 20.

Southern Frontier Finance Co.
Aug. 11 filed 1,300,000 shares of common stock (par 50 cents). **Price**—$1 per share. **Proceeds**—For working capital and to purchase products for company. **Office**—615 Hillsboro St., Raleigh, N. C. **Underwriter**—None, but the company officials, who are making the offering, may pay a 10% commission to dealers in connection with the sale of their shares.

● Southern Gulf Utilities, Inc.
Aug. 24 filed 135,000 shares of common stock (par 5c). **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes, including expansion. **Office**—7630 Biscayne Blvd., Miami, Fla. **Underwriter**—Jaffee, Leverton, Reiner Co., New York. **Offering**—Expected in October.

Southern New England Telephone Co.
Aug. 24 filed 688,885 shares of common stock (par $25), being offered for subscription to stockholders of record Sept. 8, 1959, in the ratio of one new share for each 10 shares then held; rights to expire on Oct. 9, 1959. **Price**—$35 per share. **Proceeds** — To repay advances from American Telephone & Telegraph Co. (owner of 21.3% of the outstanding stock) which are expected to approximate $20,000,000, and the balance, if any, to be used for general corporate purposes. **Office**—227 Church St., New Haven, Conn. **Underwriter**—None.

Southland Oil Ventures, Inc.
July 22 filed $1,000,000 of participations in the company's 1959 Oil and Gas Exploration Program. **Price**—$5,000 per participation (minimum is 2 participations). **Proceeds**—For oil and gas exploration program. **Office**—2802 Lexington, Houston 6, Texas. **Underwriter**—None.

● Southwest Airmotive Co. (10/12-16)
Sept. 18 filed 200,000 shares of common stock (par $1), of which 100,000 shares are to be offered for the account of the issuing company, and 100,000 shares are to be offered for the accounts of the present holders thereof. **Price**—To be supplied by amendment. **Proceeds**—Together with other funds, will be used for general corporate purposes, including the addition of working capital, and the providing of funds for adding to jet-engine overhaul facilities, including the purchase of shop equipment and special tooling required for this purpose. **Office**—7515 Lemmon Ave., Dallas, Tex. **Underwriters** — Rauscher, Pierce & Co., Inc. and Dallas Rupe & Son, Inc., both of Dallas, Tex.

● Span America Boat Co., Inc.
Sept. 9 (letter of notification) 175,000 shares of common stock (par 25 cents). **Price**—$1 per share. **Proceeds**—To purchase raw materials; for sales program and working capital. **Address**—Exposition Park, Fort Dodge, Iowa. **Underwriter** — R. A. Holman & Co., Inc., New York, New York. **Offering**—Expected in October.

Sports Arenas (Delaware) Inc.
Nov. 18 filed $2,000,000 of 6% 10-year convertible debentures (subordinated), due Jan. 1, 1969. **Price**—To be supplied by amendment. **Proceeds**—$750,000 to pay AMF Pinspotters, Inc. for bowling alley beds; $350,000 to pay for other installations, fixtures and equipment; $85,000 to expand two present establishments by increasing the number of alley beds by eight at Yorktown Heights and by six at Wilton Manor Lanes, Fort Lauderdale; $300,000 for deposits on leaseholds, telephones and utilities; and $395,000 for working capital. **Underwriter**—None. Stop-order proceedings instituted by SEC.

Sports Arenas (Delaware) Inc.
Nov. 18 filed 461,950 shares of common stock (par one cent). **Price**—At the market (but in no event less than $6 per share). **Proceeds**—To selling stockholders. **Office**—33 Great Neck Road, Great Neck, N. Y. **Underwriter**—None. Stop order proceedings instituted by SEC.

● Standard Beryllium Corp. (10/2-5)
Sept. 3 (letter of notification) 150,000 shares of common stock (par one cent). **Price**—$1.50 per share. **Proceeds**—For working capital and general corporate purposes. **Office**—150 E. 43rd St., New York 17, N. Y. **Underwriter**—R. G. Williams & Co., Inc., New York, N. Y.

Steak'n Shake, Inc.
Aug. 24 filed 65,505 shares of common stock, to be offered by subscription by common stockholders of record Sept. 15, 1959, on the basis of one new share for each 9 shares then held. **Price**—$4.62½ per share. **Proceeds**—For general corporate purposes, including the developing of three drive-in restaurants on company-owned building sites. **Office**—1700 West Washington St., Bloomington, Ill. **Underwriter**—White & Co., St. Louis, Mo. **Offering**—Expected in early October.

Stelling Development Corp.
June 8 (letter of notification) 300,000 shares of common stock (par one cent). **Price**—$1 per share. **Proceeds**—For mortgages, land, paving roads, loans payable, advertising, etc. **Office**—305 Morgan St., Tampa 2, Fla. **Underwriter**—Stanford Corp., Washington, D. C.

Strategic Materials Corp.
June 29 filed 368,571 shares of common stock (par $1), to be offered for subscription by common stockholders at the rate of one new share for each five shares held. **Price**—To be supplied by amendment. **Proceeds**—For payment of bank loans; for payment of a note; for working capital; for expenditures by Strategic-Udy Metallurgical & Chemical Processes Ltd., which owns and operates a pilot plant at Niagara Falls, Ontario, and is a subsidiary of Stratmat Ltd., Strategic's principal subsidiary, and by its other direct subsidiary, Strategic-Udy Processes, Inc., which owns and operates a laboratory at Niagara Falls, N. Y.; as working capital for a mining subsidiary; for payment of a mortagage; and as working capital for another subsidiary. **Underwriters** — S. D. Lunt & Co., Buffalo, N. Y.; and Allen & Co., New York.

Sylvania Electric Products, Inc.
Sept. 1 filed $25,000,000 of sinking fund debentures, due Sept. 1, 1984. **Price** — To be supplied by amendment. **Proceeds**—To be applied to indebtedness. **Office**—730 Third Avenue, New York. **Underwriters**—Paine, Webber, Jackson & Curtis, and Halsey, Stuart & Co. Inc., both of New York. This offering has been deferred due to market conditions.

● Tang Industries, Inc. (10/2)
May 25 filed 110,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—To purchase machinery and equipment; for research and development; for certain expenses and for working capital. **Office**—49 Jones Road, Waltham, Mass. **Underwriter** — David Barnes & Co., Inc., New York.

● Tassette, Inc. (10/12-16)
Aug. 26 (letter of notification) 100,000 shares of class A stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For purchase of furniture and fixtures, selling, advertising and other working capital. **Office**—170 Atlantic St., Stamford, Conn. **Underwriters**—Amos Treat & Co., Inc. and Truman, Wasserman & Co., both of New York, N. Y.

Technology, Inc.
May 15 filed 325,000 shares of common stock (par 10 cents). **Price**—$4 per share. **Proceeds**—To pay off in full the subscription of Microwave Electronic Tube Co., Inc. stock, represented by notes, to pay for improvements upon the plant leased to Microwave, and

Continued on page 60

Continued from page 59

for working capital. **Office**—1500 Massachusetts Avenue, N. W., Washington, D. C. **Underwriter** — E. L. Wolf Associates, Inc., Washington, District of Columbia.

● **Tennessee Gas Transmission Co. (10/5-9)**
Aug. 21 filed 473,167 shares of common stock (par $5), to be exchanged for common stock of East Tennessee Natural Gas Co. on the basis of one share of Tennessee Gas Common for 2.75 shares of East Tennessee common. This offer is subject to various conditions, one of which is that all of the 5.20% cumulative preferred stock ($25 par) of East Tennessee shall have been purchased or redeemed and cancelled. East Tennessee is presently negotiating for the sale of $5,800,000 of which 11-year 5¾% debentures, contingent upon the consummation of the exchange offer, $4,568,785 of the proceeds of which will be applied to the redemption of the 5.20% cumulative preferred stock. **Office**—Tennessee Bldg., Houston, Texas. **Dealer-Managers** — Stone & Webster Securities Corp., and White, Weld & Co., both of New York.

Tennessee Investors, Inc.
Aug. 28 filed 500,000 shares of common stock (par $10) **Price**—$12.50 per share. **Proceeds**—To provide investment capital and consulting and advisory services to small businesses. **Office**—Life & Casualty Tower, Nashville, Tenn. **Underwriters**—The offering is to be made on a "best efforts" basis through NASD members, who will receive an underwriting commission of 90 cents per share.

★ **Texas Gas Transmission Corp. (10/21)**
Sept. 28 filed 150,000 shares of convertible second preferred stock (par $100). This issue will carry a dividend not to exceed 5½%. **Price**—To be supplied by amendment. **Proceeds** — For expansion and construction program. **Underwriter**—Dillon, Read & Co. Inc., New York.

Texmar Realty Co., New York (10/5-9)
Sept. 1 filed $1,819,000 of limited partnership interests in the company. **Price**—At par ($5,000 per unit). **Proceeds**—To be used to pay for properties. **Underwriters**—Lifton Securities, Inc. and Hechler-Weingrow Securities, Inc., both of 375 Park Avenue, New York, N. Y. **Offering**—Expected early in October.

Textron Electronics Co.
Aug. 3 filed 500,000 shares of outstanding common stock, being offered by Textron Industries, Inc., the present holder thereof, to Textron Inc. stockholders on the basis of one share of Textron Electronics stock for each 10 shares of Textron Inc. stock held as of Sept. 2, 1959; rights to expire on Sept. 25, 1959. **Price**—$7.50 per share. **Office**—10 Dorrance Street, Providence, R. I. **Underwriter**—None.

★ **Therm-O-Disc, Inc. (10/28)**
Sept. 25 filed 121,057 shares of outstanding common stock (par $1). **Price**—To be supplied by amendment. **Proceeds** — To selling stockholders. **Office** — Route 13, Mansfield, O. **Underwriters**—Goldman, Sachs & Co., of New York, and McDonald &Co. of Cleveland, O.

Thrift Drug Co. of Pennsylvania (10/14)
Sept. 14 filed 75,000 shares of common stock (par $1). **Price**—To be supplied by amendment. **Proceeds**—To retire bank indebtedness and assist in the opening of 15 new drug stores in 1959-60. **Office**—16th and Mary Sts., Pittsburgh, Pa. **Underwriter**—Singer, Deane & Scribner, Pittsburgh, Pa.

Tower's Marts, Inc.
Aug. 28 filed 300,000 shares of class A common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—To reduce indebtedness by about $300,000, with the balance to be added to working capital of the company and its subsidiaries. **Office**—210 East Main Street, Rockville, Conn. **Underwriters**—To be supplied by amendment.

Transcon Petroleum & Development Corp., Mangum, Okla.
March 20 (letter of notification) 300,000 shares of common stock. **Price**—At par ($1 per share). **Proceeds**—For development of oil properties. **Underwriter**—First Investment Planning Co., Washington, D. C.

Treasure Hunters, Inc.
June 4 filed 1,900,000 shares of common stock (par one cent). **Price**—$1 per share. **Proceeds**—For salvage operations. **Office**—1500 Massachusetts Avenue, N. W., Washington, D. C. Underwriter—None.

Trinity Small Business Investment Co.
April 17 filed 235,000 shares of capital stock (par $1). **Price** — $10.75 per share. **Proceeds** — For investment. **Office**—South Main Street, Greenville, S. C. **Underwriter**—To be supplied by amendment.

Tungsten Mountain Mining Co.
May 21 (letter of notification) $100,000 principal amount of 7% first mortgage convertible bonds, to be offered in denominations of $500 and $1,000 each. **Price**—100% of principal amount. **Proceeds**—For construction, installation of machinery and equipment and working capital. **Office**—511 Securities Building, Seattle 1, Wash. **Underwriter**—H. P. Pratt & Co., Seattle 4, Wash.

United Employees Insurance Co.
April 16 filed 2,000,000 shares of common stock (par $5). **Price** — $10 per share. **Proceeds** — For acquisition of operating properties, real and/or personal, including office furniture, fixtures, equipment and office space, by lease or purchase. **Office** — Wilmington, Del. **Underwriter**—None. Myrl L. McKee of Portland, Ore., is President.

★ **United Funds, Inc.**
Sept. 23 filed an additional $95,000,000 of Periodic Investment Plans, of which $80,000,000 represented Plans without insurance and $15,000,000 represented Plans with insurance. **Proceeds** — For investment. **Office**—Kansas City, Mo. **Underwriter**—None.

U. S. Home & Development Corp.
Sept. 3 (letter of notification) 99,933 shares of class A capital stock (par 10 cents). **Price**—$3 per share. **Proceeds** — For construction of real estate developments. **Office** — 52 Neil Ave., Lakewood, N. J. **Underwriter** — Sandkuhl & Co., Inc., 1180 Raymond Blvd., Raymond-Commerce Bldg., Newark 2, N. J. **Offering**—Expected in October.

United Tourist Enterprises, Inc.
Jan. 28 filed 4,500,000 shares of class A common stock (par 50 cents). **Price** —$2 per share. **Proceeds** — For development and construction of a "Western Village" and for construction of a Grand Estes Hotel and Convention Hall, to be constructed in the immediate vicinity of Estes Park Chalet, located in Larimer County, Colo. **Office** — 330 South 39th Street, Boulder, Colo. **Underwriter**—Mid-West Securities Corp., Littleton, Colo.

United Utilities, Inc.
Sept. 2 filed 229,606 shares of common stock (par $10) being offered for subscription on or about Sept. 29, 1959 in the ratio of one new share for each 10 shares held; rights to expire on or about Oct. 13. **Price**—$29.50 per share. **Proceeds** — For construction program. **Underwriter**—Kidder, Peabody & Co., New York.

★ **Universal Container Corporation**
Sept. 25 filed 167,500 shares of common stock (par 10 cents), of which 150,000 shares are to be publicly offered. **Price**—$4 per share. **Proceeds** — For general corporate purposes, including provision of funds for the purchase of the assets of a similarly engaged enterprise, working capital, new equipment, and expansion. **Office**—Louisville, Ky. **Underwriter**—Michael G. Kletz & Co., New York. **Offering**—Expected in early November.

Universal Finance Corp.
July 13 (letter of notification) 10,000 shares of common stock (par 15 cents). **Price**—$5 per share. **Proceeds**—For general operating funds. **Office**—700 Gibralter Life Bldg., Dallas, Tex. **Underwriter**—Texas National Corp., San Antonio, Tex.

★ **Urethane Corp.**
Sept. 25 filed 170,000 shares of class A capital stock and 340,000 shares of common stock, to be offered in units of one class A share and one common share. **Price** — $5.05 per unit. **Proceeds**—For general corporate purposes, including the purchase of supplies, machinery, and equipment, and the leasing of a Los Angeles plant for manufacturing purposes. **Office**—235 Montgomery St., San Francisco, Calif. **Underwriters**—Wilson, Johnson & Higgins of San Francisco, and Evans, MacCormack & Co., of Los Angeles.

Val Vista Investment Co., Phoenix, Ariz.
June 29 filed 80 investment contracts (partnership interests) to be offered in units. **Price**—$5,378.39 per unit. **Proceeds**—For investment. **Underwriter**—O'Malley Securities Co. Statement effective Aug. 11.

Variable Annuity Life Insurance Co. of America
April 21 filed $4,000,000 of Variable Annuity Policies. **Price**—No less than $120 a year for annual premium contracts and no less than $1,500 for single premium contracts. **Proceeds**—For investment, etc. **Office**—1832 M Street, N. W., Washington, D. C. **Underwriter**—None.

● **Vernors Ginger Ale, Inc. (10/20)**
Sept. 15 filed $750,000 of 6½% sinking fund debentures, due Oct. 1, 1974, with common stock purchase warrants attached, and 282,760 shares of common stock. **Price**—The debentures are to be offered at 100% of principal amount plus accrued interest. The price of the common shares will be $7 per share. **Proceeds**—From the sale of the debentures, to redeem preferred stock and for use as working capital; from the sale of the common stock, to the Estate of James Vernor, deceased, the selling stockholder. **Office**—4501 Woodward Avenue, Detroit, Mich. **Underwriters**—Baker, Simonds & Co., Inc., of Detroit, and Wm. J. Mericka & Co., Inc., of Cleveland, Ohio.

Victoria Raceway
May 25 filed 1,000,000 shares of common stock (par $2 in Canadian funds). **Price**—$4.50 per share. **Proceeds**—To construct and operate a racing plant; and for working capital and other corporate purposes. **Office**—Notre Dame Avenue at King Street, Winnipeg, Canada. **Underwriter**—Original underwriter has withdrawn.

Vita-Plus Beverage Co., Inc.
Aug. 11 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—$1 per share. **Proceeds**—For publicity, advertising, business promotion and initiation of a program of national distribution and for working capital. **Office**—373 Herzl St., Brooklyn, N. Y. **Underwriter**—Caldwell Co., New York, N. Y.

★ **Volaircraft, Inc.**
Sept. 17 (letter of notification) 108,260 shares of common stock (no par). **Price**—$1 per share. **Proceeds**—For expenses in manufacturing a low cost airplane. **Office**—Aliquippa-Hopewell Airport, Aliquippa, Pa. **Underwriter**—None.

Vulcan Materials Co., Inc.
June 29 filed 10,000 shares of 6¼% cumulative preferred stock and 560,000 shares of common stock, to be offered to the stockholders of Ralph E. Mills Co., Talbott Construction Corp. and Talco Constructors, Inc., in exchange for all the outstanding capital stock of these three corporations, and to the owner of Sherman Concrete Pipe Co., Chattanooga, Tenn., for the business and assets of that company. **Office**—Mountain Brook, Ala. Statement became effective on July 20.

Vulcan Materials Co.
Sept. 15 filed 230,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—The stock will constitute part of the purchase price to be paid for W. E. Graham and Sons and for Wegco Equipment Rentals, Inc. **Office**—Mountain Brook, Ala. **Underwriter**—None.

Waltham Engineering and Research Associates
July 28 filed $1,065,000 of participations in partnership interests. **Proceeds**—To purchase land and buildings of Waltham Engineering and Research Center, Waltham, Mass., and for expenses connected to the purchase. **Office**—49 W. 32nd Street, New York 1, N. Y. **Underwriter**—The First Republic Underwriters Corp., same address. The offering is expected in September.

● **Washington Mortgage and Development Co., Inc.**
Sept. 29 filed 100,000 shares of common stock (par 10c) **Price**—$5 per share. **Proceeds**—For investment in mortgage notes secured by real estate. **Office**—1028 Connecticut Ave., N. W. Washington, D. C. **Underwriters**—American Diversified Mutual Securities, Inc. and Gildar & Co., both of Washington, D. C.

Wellington Electronics, Inc.
May 6 filed 240,000 shares of common stock (par 75 cents. **Price**—$6 per share. **Proceeds**—For repayment of a bank note; to complete the automation of the etched foil production plant at Englewood, N. J.; for manufacture of machines to be leased to capacitor manufacturers; and for working capital. **Office**—65 Honeck St., Englewood, N. J. **Underwriters**—Amos Treat & Co., Inc., and Truman, Wasserman & Co., both of New York. Statement effective July 8.

Western Wood Fiber Co.
March 5 filed 100,000 shares of common stock (par $10) and 40,000 shares of preferred stock (par $25). **Price** — At par. **Proceeds**—For construction and equipment of company's plant and for working capital. **Office**—300 Montgomery St., San Francisco, Calif. **Underwriter**—None.

West Florida Natural Gas Co. (10/5-9)
Aug. 31 filed $837,200 of 7½% 30-year subordinated income debentures and warrants to purchase 25,116 shares of class A common stock ($1 par). **Price**—$100 per unit consisting of one $100 debenture and a warrant to purchase three shares of class A common stock. **Proceeds**—To be applied, together with moneys in the sinking fund of the issuing company, to the redemption of the outstanding 6% 20-year debenture bonds at their redemption price of 103% of their principal amount. **Office**—Maple and 3rd Streets, Panama City, Fla. **Underwriter**—Beil & Hough, Inc., St. Petersburg, Fla.

Western Empire Life Insurance Co.
June 29 filed 212,000 shares of common stock and options to purchase 172,701 shares (plus the underlying shares). The company proposes to make a public offering of three blocks of stock in amounts of 40,430, 38,570 and 36,935 shares, at prices of $1, $2 and $3, respectively. The remaining 96,065 common shares and options for the 172,701 shares (together with shares underlying such options) are to be offered by the present holders thereof. The options permit purchase of the underlying shares at $1 per share. **Proceeds**—For general corporate purposes. **Office**—2801 East Colfax Ave., Denver, Colo. **Underwriter**—None.

Western Heritage Life Insurance Co.
Aug. 26 filed 500,000 shares of common stock. **Price**—$2 per share. **Proceeds**—For general corporate purposes. **Office**—533 East McDowell Road, Phoenix, Ariz. **Underwriter**—None. Some of the shares may be sold by salesmen employed by the company, or by registered broker-dealers. A commission not to exceed 17%, or 34 cents per share, may be paid to sellers of such shares.

● **Western Massachusetts Electric Co. (10/21)**
Sept. 23 filed $8,000,000 of first mortgage bonds, series D, due Oct. 1, 1989. **Proceeds**—To pay outstanding bank loans. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Eastman Dillon, Union Securities & Co.; Equitable Securities Corp. and Lee Higginson Corp. (jointly); The First Boston Corp. and White, Weld & Co. (jointly); Blyth & Co., Inc. **Bids**—Expected to be received up to 11 a. m. (EDT) on Oct. 21 at the office of the company, 201 Devonshire St., Boston, Mass.

Wilson Brothers
Aug. 31 filed 261,752 shares of common stock, to be exchanged for the common stock of Virginia Iron, Coal and Coke Co. on the basis of one share of Wilson common for five shares of Virginia common. **Office** — 180 Madison Ave., New York.

★ **Wisconsin Michigan Power Co., Milwaukee, Wis.**
Sept. 29 filed $3,000,000 of first mortgage bonds due 1989. **Proceeds**—To be used to retire short-term bank loans, to reimburse treasury, and for additions and improvements. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc. and Salomon Bros. & Hutzler (jointly); Kidder, Peabody & Co. and White, Weld & Co. (jointly).

Wyoming Nuclear Corp.
Sept. 11 (letter of notification) 10,000,000 shares of common stock. **Price**—At par (three cents per share). **Proceeds**—For mining expenses. **Office**—Noble Hotel Bldg., Lander, Wyo. **Underwriter**—C. A. Benson & Co., Inc., Pittsburgh, Pa.

● **York Research Corp. (10/12-16)**
Aug. 10 filed 150,000 shares of class A stock (par $1). **Price**—$3 per share. **Proceeds** — For general corporate purposes, including the discharge of various indebtedness and the purchase and installation of new equipment; and for the establishment of a new testing laboratory. **Office**—Stamford, Conn. **Underwriter**—Myron A. Lomasney & Co., New York.

★ **Zale Jewelry Co., Inc.**
Sept. 28 filed 31,050 shares of common stock, to be offered to certain key employees of the company and its

subsidiaries pursuant to Zale's Key Employee Stock Option Plan. **Office**—512 South Akard Street, Dallas, Texas.

Prospective Offerings

American Gypsum Co.
July 15 it was reported that the company will register debt and equity securities later this year. **Proceeds**—For construction of a gypsum products plant in Albuquerque, New Mexico, and for working capital. **Office**—Albuquerque, N. M. **Underwriters**—Jack M. Bass & Co., Nashville, Tenn., and Quinn & Co., Albuquerque, N. M.

American Jet School, Inc., Lansing, Mich.
Aug. 31 it was announced that the corporation plans to issue and sell 100,000 shares of common stock (par $1). **Price**—$3 per share. **Proceeds**—For expansion of present Michigan and Ohio sales force to a national one, and introduction of new courses and resident study schools. **Business** — In correspondence school business. **Office**—1609 Kalamazoo St., Lansing, Mich. **Underwriter** — In New York to be named in early October. **Offering**—Planned for mid-October.

American Telephone & Telegraph Co. (11/17)
Aug. 19 the directors authorized a new issue of $250,000,000 of debentures. **Proceeds**—To be used for the improvement and expansion of Bell Telephone services. **Underwriters**—To be determined by competitive bidding. Probable bidders: The First Boston Corp. and Halsey, Stuart & Co. Inc. (jointly); Morgan Stanley & Co. and Kidder, Peabody & Co. (jointly). **Bids**—Expected to be received on Nov. 17.

Atlantic City Electric Co.
Aug. 3 it was reported that the directors are contemplating the issuance and sale of a small amount of common stock, after a three-for-two stock split. Last equity offerings were underwritten by Eastman Dillon, Union Securities & Co.; and Smith, Barney & Co., both of New York. **Offering**—Expected during the latter part of this year.

★ **Bell Telephone Co. of Pennsylvania**
Sept. 25 it was announced that the company plans the sale of $30,000,000 of debentures dated Dec. 1, 1959. **Proceeds** — To replace short-term borrowings used to finance construction. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Morgan Stanley & Co.; White, Weld & Co. and Eastman Dillon, Union Securities & Co. (jointly).

Benson Manufacturing Co., Kansas City, Mo.
June 10 it was announced that the company contemplates an offering of $4,500,000 of common stock. **Proceeds** — For expansion program and additional working capital. **Business**—The company is engaged in the manufacture of aircraft and missile parts, aluminum containers and beer barrels, aluminum curtain wall sections for the building industry and other proprietary products. **Underwriter**—S. D. Fuller & Co., New York. **Registration**—Expected sometime in October.

Bridgeport Gas Co.
Sept. 9 it was announced that stockholders will be asked on Oct. 27 to approve the issuance of about $1,100,000 in new common stock to stockholders in the ratio of one new share for each seven shares held. **Proceeds** — To reimburse the company's treasury for expansion and expenditures. **Underwriter**—Previous financing was arranged through Smith, Ramsey & Co., Inc., Bridgeport, Conn.

Brooklyn Union Gas Co.
Aug. 19 it was reported that the company is contemplating some additional equity financing, the form it will take will be decided on shortly. **Proceeds**—For construction program. **Offering**—Expected before the end of the year.

● **Buckingham Transportation, Inc.**
July 17 the company sought ICC approval for the issuance of 250,000 shares of class A common stock (par $1). **Underwriter**—Cruttenden, Podesta & Co., Chicago, Ill. **Price**—$10 per share. **New Name**—The company's name will be changed to Buckingham Freight Lines.

Coffee House, Inc., Lansing, Mich.
Aug. 31 it was announced company plans to issue and sell 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds** — To build chain of coffee houses, establish commissaries and for general corporate purposes. **Office** — 1500 Clifton Ave., Lansing, Mich. **Underwriter**—In New York to be named in early October. **Offering**—Planned for mid-October.

Consolidated Edison Co. of New York Inc. (12/1)
July 30 it was reported that the company plans the issuance and sale of $50,000,000 first and refunding mortgage bonds. **Proceeds** — For construction expenditures. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; The First Boston Corp. **Bids**—Expected to be received on Dec. 1.

Consolidated Natural Gas Co.
May 19, James Comerford, President, announced that company plans later in year to issue and sell $20,000,000 of debenture bonds, if market conditions are favorable. **Proceeds**—For investments, improvements, etc. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. and The First Boston Corp. (jointly); White, Weld & Co. and Paine, Webber, Jackson & Curtis (jointly).

Cyprus Mines Corp.
July 15 it was reported that approximately 1,000,000 shares of a secondary issue common stock will be registered in the Fall. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York.

Dallas Power & Light Co.
Aug. 3 it was reported that the company contemplates the issuance and sale of about $20,000,000 of senior securities, but type or types has not as yet been determined. **Underwriter**—To be determined by competitive bidding. Probable bidders: (1) For bonds: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Salomon Bros. & Hutzler; Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Eastman Dillon, Union Securities & Co.; Blair & Co., Inc. and Baxter & Co. (jointly); Lehman Brothers. (2) For debentures: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; Blyth & Co., Inc. and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); Salomon Bros. & Hutzler; Equitable Securities Corp.; Eastman Dillon, Union Securities & Co.; Lehman Brothers; Blair & Co. Inc.; The First Boston Corp. **Offering**—Expected sometime this Fall.

Duquesne Light Co.
Aug. 3 it was reported that the company is contemplating the issuance of an undetermined amount of subordinated convertible debentures. **Underwriter** — To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co.; Eastman Dillon, Union Securities & Co.; A. C. Allyn & Co., Inc. and Ladenburg, Thalmann & Co. (jointly); White, Weld & Co.; The First Boston Corp. and Glore, Forgan & Co. (jointly); Blyth & Co., Inc.; Drexel & Co. and Equitable Securities Corp. (jointly). **Offering**—Expected later this year.

● **First National Bank of Miami, Fla.**
Sept. 14 it was announced stockholders have approved a proposed offering to stockholders of 150,000 additional shares of capital stock (par $10) on the basis of one new share for each four shares held. **Price**—$40 per share. **Proceeds**—To increase capital and surplus. **Underwriter**—None.

Florida Power & Light Co. (10/27)
Aug. 17 it was reported that the company plans to file with the SEC $20,000,000 of first mortgage bonds. **Proceeds**—To help finance the company's construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc. and Kidder, Peabody & Co. (jointly); Blyth & Co., Inc. and Lehman Brothers (jointly); White, Weld & Co., and The First Boston Corp. **Bids**—Expected to be received up to 11:30 a.m. (EST), Oct. 27.

Georgia-Pacific Corp.
Aug. 19 it was reported that the company plans to register about $15,000,000 of convertible debentures or preferred stock, conversion of which would add about 600,000 shares to the number of common shares currently outstanding. **Proceeds**—To assist in the financing of the recently acquired Booth-Kelly Lumber Co. **Office**—Olympia, Wash. **Underwriter**—Financing in past has been handled by Blyth & Co., Inc.

Gulf States Utilities Co. (11/24)
Aug. 20 it was reported that the company plans the issuance and sale of $16,000,000 of first mortgage bonds. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc. and White, Weld & Co. (jointly); Salomon Bros. & Hutzler and Eastman Dillon, Union Securities & Co. (jointly); Lehman Brothers; Stone & Webster Securities Corp. **Bids**—Expected to be received up to 11 a.m. (EST) on Nov. 24.

Hawaiian Telephone Co.
Aug. 3 it was reported company received approval from the Territorial Public Utilities Commission to issue about $4,500,000 of new bonds. Last bond issues were placed privately.

Independent Radio, Inc., Lansing, Mich.
Aug. 31 it was announced company plans to issue and sell 100,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—For acquisition of radio stations. **Business**—Radio broadcasting. **Office**—130 Shepard St., Lansing, Mich. **Underwriter**—In New York to be named in early October. **Offering**—Planned for mid-October.

● **Intercontinental Motels, Ltd.**
Sept. 23 it was reported that early registration is planned of 133,000 shares of common stock (par 10 cents). **Price**—$3 per share. **Proceeds**—To be added to working capital in order to enable company to exercise options on motels and/or parcels of land. **Office**—Martinsville, Va. **Underwriter** — G. Everett Parks & Co., Inc., 52 Broadway, New York City. **Offering**—Expected prior to Dec. 10. **Registration**—Set for Oct. 9.

Kansas City Power & Light Co.
Dec. 29 it was reported that the company plans to issue and sell $20,000,000 of first mortgage bonds. **Proceeds**—For construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey Stuart & Co. Inc.; The First Boston Corp. and Blyth & Co., Inc. (jointly); Equitable Securities Corp.; White, Weld & Co. and Shields & Co. (jointly); Kuhn, Loeb & Co., Salomon Bros. & Hutzler and Eastman, Dillon, Union Securities & Co. (jointly); Lehman Brothers and Bear, Stearns & Co. (jointly). **Bids**—Expected later in the year.

Lindberg Steel Treating Co.
Sept. 21 it was reported that the company plans a regulation "A" filing of about 80,000 shares of class A common stock. **Proceeds**—To selling stockholders. **Underwriter**—Cruttenden, Podesta & Co., Chicago, Ill. **Offering**—Expected in the early part of November.

Louisiana Gas Service Co. (12/8)
Sept. 14 it was reported that this wholly-owned subsidiary of Louisiana Power & Light Co. is contemplating the issuance and sale of $6,000,000 of first mortgage bonds having a maturity of no longer than 25 years and perhaps as short as 16 years. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co., Blyth & Co., Inc., and Shields & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc., Kidder, Peabody & Co. and Harriman Ripley & Co. Inc. (jointly); Salomon Bros. & Hutzler, Eastman Dillon, Union Securities & Co. and Equitable Securities Corp. (jointly); The First Boston Corp. and Glore, Forgan & Co. (jointly). **Bids**—Expected to be received on or about Dec. 8.

Manchester Bank of St. Louis (Mo.) (10/8)
Aug. 19 it was reported that the bank's stockholders will vote on Oct. 6 to approve a 2-for-1 stock split of its 75,000 outstanding shares of common stock (par $20), a 3½% stick dividend on the 150,000 shares of new common stock (par $10) outstanding, if approved, would be payable on or about Nov. 2. An offering of 45,000 shares of additional common stock (par $10) would be issued to stockholders of record on or about Oct. 3, 1959; rights to expire on or about Oct. 22. **Proceeds**—To increase capital and surplus. **Underwriter**—G. H. Walker & Co., St. Louis, Mo.

● **National Bellas Hess, Inc.**
Oct. 1 it was reported that the company is considering the issuance and sale of approximately $5,000,000 of convertible subordinated debentures to be offered for subscription by present stockholders on the basis of $100 principal amount of debentures for each 50 shares held. Stockholders on Sept. 29 approved a proposal to increase the present 3,000,000 shares of common stock now authorized to 4,000,000 shares. **Proceeds**—For general corporate purposes. **Underwriter** — Stern Brothers & Co., Kansas City, Mo.

National Mail Order Co., Lansing, Mich.
Aug. 26 it was announced company plans to register in a few days an issue of about $500,000 of common stock. **Price** — To be supplied by amendment. **Proceeds** — For expansion and working capital. **Office**—130 Shepard St., Lansing, Mich. **Underwriter**—To be named later in New York State.

New England Telephone & Telegraph Co.
Aug. 19 it was reported that the company will issue and sell $10,000,000 of preferred stock. **Proceeds**—For capital expenditures. **Underwriter** — To be determined by competitive bidding. Probable bidders: Lehman Brothers; Merrill Lynch, Pierce, Fenner & Smith Inc. and Eastman, Dillon, Union Securities & Co. (jointly); Equitable Securities Corp., Kidder, Peabody & Co., Lee Higginson Corp. and White, Weld & Co. (jointly); Blyth & Co., Inc. **Bids**—Expected to be received sometime in December.

New England Power Co. (12/9)
Sept. 17 it was announced that this company plans to issue and sell 100,000 shares of cumulative preferred stock (par $100). **Underwriter**—To be determined by competitive bidding. Probable bidders: Lehman Brothers; Equitable Securities Corp.; Kidder, Peabody & Co.; Lee Higginson Corp., and White, Weld & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc., and Eastman Dillon, Union Securities & Co. (jointly). **Bids**—Expected to be received on Dec. 9.

New-Era Corporation, Rochester, Mich.
Sept. 1 it was reported that this company contemplates the early registration of approximately 200,000 shares of common stock. **Business**—Manufacturer of mufflers and gears. Underwriter—Mortimer B. Burnside & Co., Inc., New York.

Northern Illinois Gas Co.
June 9 it was announced that the company before the end of the year, expects either to sell $10,000,000 to $15,000,000 of straight, non-convertible preferred stock similar to the 1958 offering, or to borrow from banks to tide the company over the year-end, as it has done in the last two years. **Proceeds**—For construction program. **Underwriters**—The First Boston Corp. and Glore, Forgan & Co., both of New York.

★ **Pacific Far East Line, Inc. (10/6)**
Sept. 28 it was announced that this company plans the proposed sale of $12,000,000 of U. S. Government-insured merchant marine bonds, due Dec. 1, 1981. The bonds are to be insured under Title XI of the Merchant Marine Act. They will be issued in two identical series of $6,000,000 each, which are to be secured by two ships—the Philippine Bear and the China Bear. **Underwriters**—The First Boston Corp. of New York, and A. G. Becker & Co. Inc. of New York and Chicago.

● **Piedmont Natural Gas Co., Inc.**
Sept. 25 it was announced that this company contemplates the issuance of about $3,500,000 of convertible preferred stock later this Fall. The terms and exact timing of the offering have not as yet been set. **Proceeds**—To finance construction program. **Underwriter**—White, Weld & Co., New York.

Reserve Insurance Co., Chicago, Ill.
Sept. 14 it was reported that the company plans early registration of 110,837 shares of common stock, part of which will be sold for the account of the company and part for the account of certain selling stockholders. **Proceeds**—To increase capital and surplus. **Underwriter**—A. G. Becker & Co. Inc., Chicago, Ill.

Ryder System Inc.
Aug. 3 it was reported that the company plans issuance this Fall of an additional 75,000 shares of present common stock (par $5), or 150,000 shares of new common stock (par $2.50). The ICC has approved the proposed two-for-one stock split. **Underwriter**—Blyth & Co., Inc., New York.

Sams (Howard W.) & Co.
Sept. 21 it was reported that this company plans a common stock offering, part of which will be sold for the company's account and part of which will be sold

Continued on page 63

Indications of Current Business Activity

The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date.

		Latest Week	Previous Week	Month Ago	Year Ago
AMERICAN IRON AND STEEL INSTITUTE:					
Indicated Steel operations (per cent capacity)	Oct. 3	§12.9	*12.8	11.7	70.4
Equivalent to— Steel ingots and castings (net tons)	Oct. 3	§365,000	*362,000	332,000	1,901,000
AMERICAN PETROLEUM INSTITUTE:					
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Sept. 18	6,822,675	6,812,975	6,817,125	7,087,085
Crude runs to stills—daily average (bbls.)	Sept. 18	¶7,994,000	8,181,000	8,214,000	7,604,000
Gasoline output (bbls.)	Sept. 18	29,192,000	29,490,000	29,316,000	28,010,000
Kerosene output (bbls.)	Sept. 18	1,817,000	2,180,000	2,059,000	2,001,000
Distillate fuel oil output (bbls.)	Sept. 18	12,326,000	11,938,000	13,197,000	12,310,000
Residual fuel oil output (bbls.)	Sept. 18	6,082,000	6,098,000	6,241,000	6,896,000
Stocks at refineries, bulk terminals, in transit, in pipe line					
Finished and unfinished gasoline (bbls.) at	Sept. 18	180,782,000	183,491,000	181,422,000	173,158,000
Kerosene (bbls.) at	Sept. 18	32,486,000	32,787,000	29,948,000	30,011,000
Distillate fuel oil (bbls.) at	Sept. 18	170,253,000	168,578,000	153,684,000	149,461,000
Residual fuel oil (bbls.) at	Sept. 18	58,167,000	58,778,000	56,067,000	68,893,000
ASSOCIATION OF AMERICAN RAILROADS:					
Revenue freight loaded (number of cars)	Sept. 19	578,240	480,647	542,561	667,760
Revenue freight received from connections (no. of cars)	Sept. 19	496,059	449,424	486,504	558,009
CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS-RECORD:					
Total U. S. construction	Sept. 24	$410,700,000	$298,500,000	$293,000,000	$370,670,000
Private construction	Sept. 24	226,800,000	172,600,000	140,200,000	123,894,000
Public construction	Sept. 24	183,900,000	125,900,000	152,800,000	246,776,000
State and municipal	Sept. 24	121,700,000	102,100,000	131,200,000	216,180,000
Federal	Sept. 24	62,200,000	23,800,000	21,600,000	30,596,000
COAL OUTPUT (U. S. BUREAU OF MINES):					
Bituminous coal and lignite (tons)	Sept. 19	7,780,000	*6,400,000	7,150,000	8,533,000
Pennsylvania anthracite (tons)	Sept. 19	379,000	329,000	352,000	491,000
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE = 100	Sept. 19	158	*133	132	136
EDISON ELECTRIC INSTITUTE:					
Electric output (in 000 kwh.)	Sept. 26	12,878,000	12,779,000	14,109,000	12,342,000
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.	Sept. 24	282	264	257	268
IRON AGE COMPOSITE PRICES:					
Finished steel (per lb.)	Sept. 22	6.196c	6.196c	6.196c	6.196c
Pig iron (per gross ton)	Sept. 22	$66.41	$66.41	$66.41	$66.49
Scrap steel (per gross ton)	Sept. 22	$42.50	$41.50	$40.17	$43.17
METAL PRICES (E. & M. J. QUOTATIONS):					
Electrolytic copper—					
Domestic refinery at	Sept. 23	30.975c	30.950c	29.600c	26.100c
Export refinery at	Sept. 23	27.375c	27.475c	28.625c	25.775c
Lead (New York) at	Sept. 23	13.000c	13.000c	12.000c	11.000c
Lead (St. Louis) at	Sept. 23	12.800c	12.800c	11.800c	10.800c
‡Zinc (delivered) at	Sept. 23	12.000c	11.500c	11.500c	10.500c
Zinc (East St. Louis) at	Sept. 23	11.500c	11.000c	11.000c	10.000c
Aluminum (primary pig. 99.5%) at	Sept. 23	24.700c	24.700c	24.700c	24.700c
Straits tin (New York) at	Sept. 23	102.375c	102.625c	103.000c	93.375c
MOODY'S BOND PRICES DAILY AVERAGES:					
U. S. Government Bonds	Sept. 29	81.61	80.92	82.10	18.19
Average corporate	Sept. 29	83.79	84.17	85.59	89.78
Aaa	Sept. 29	87.86	88.27	89.51	94.26
Aa	Sept. 29	85.33	85.72	87.45	92.64
A	Sept. 29	83.40	83.53	84.94	89.64
Baa	Sept. 29	79.13	79.49	80.81	83.28
Railroad Group	Sept. 29	82.90	83.15	84.43	88.27
Public Utilities Group	Sept. 29	82.65	83.40	84.81	90.09
Industrials Group	Sept. 29	85.98	95.98	87.59	92.20
MOODY'S BOND YIELD DAILY AVERAGES:					
U. S. Government Bonds	Sept. 29	4.37	4.45	4.29	3.59
Average corporate	Sept. 29	4.88	4.85	4.74	4.43
Aaa	Sept. 29	4.57	4.54	4.45	4.12
Aa	Sept. 29	4.76	4.73	4.60	4.23
A	Sept. 29	4.91	4.90	4.79	4.44
Baa	Sept. 29	5.26	5.23	5.12	4.92
Railroad Group	Sept. 29	4.95	4.93	4.83	4.54
Public Utilities Group	Sept. 29	4.97	4.91	4.80	4.48
Industrials Group	Sept. 29	4.71	4.71	4.59	4.26
MOODY'S COMMODITY INDEX	Sept. 29	379.0	378.0	383.8	390.5
NATIONAL PAPERBOARD ASSOCIATION:					
Orders received (tons)	Sept. 19	314,041	264,056	299,462	260,256
Production (tons)	Sept. 19	327,749	250,491	320,743	311,174
Percentage of activity	Sept. 19	98	76	95	95
Unfilled orders (tons) at end of period	Sept. 19	546,998	567,295	511,267	446,577
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE = 100	Sept. 25	108.99	109.23	109.35	108.69
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS					
Transactions of specialists in stocks in which registered—					
Total purchases	Sept. 4	1,797,350	1,679,460	2,178,290	1,509,410
Short sales	Sept. 4	240,090	278,270	340,910	293,390
Other sales	Sept. 4	1,481,820	1,402,740	1,745,160	1,201,980
Total sales	Sept. 4	1,721,910	1,681,010	2,086,070	1,495,370
Other transactions initiated off the floor—					
Total purchases	Sept. 4	292,770	237,040	246,810	398,530
Short sales	Sept. 4	11,200	10,300	10,900	43,100
Other sales	Sept. 4	238,200	202,000	251,980	346,400
Total sales	Sept. 4	249,400	212,300	262,880	389,500
Other transactions initiated on the floor—					
Total purchases	Sept. 4	528,890	531,104	629,596	517,270
Short sales	Sept. 4	92,530	78,870	96,410	83,860
Other sales	Sept. 4	785,275	643,880	637,783	575,570
Total sales	Sept. 4	877,805	722,750	734,193	659,430
Total round-lot transactions for account of members—					
Total purchases	Sept. 4	2,619,010	2,447,604	3,054,696	2,425,210
Short sales	Sept. 4	343,820	367,440	448,220	420,350
Other sales	Sept. 4	2,505,295	2,248,620	2,634,923	2,123,950
Total sales	Sept. 4	2,849,115	2,616,060	3,083,143	2,544,300
STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE — SECURITIES EXCHANGE COMMISSION					
Odd-lot sales by dealers (customers' purchases)—†					
Number of shares	Sept. 4	1,490,405	1,288,581	1,674,471	1,024,107
Dollar value	Sept. 4	$77,055,016	$65,946,288	$91,910,446	$46,827,523
Odd-lot purchases by dealers (customers' sales)—					
Number of orders—Customers' total sales	Sept. 4	1,169,135	1,118,526	1,450,162	1,038,465
Customers' short sales	Sept. 4	13,620	8,818	7,234	5,334
Customers' other sales	Sept. 4	1,155,515	1,109,708	1,442,928	1,033,131
Dollar value	Sept. 4	$59,816,569	$56,122,308	$77,539,779	$45,813,508
Round-lot sales by dealers—					
Number of shares—Total sales	Sept. 4	320,430	304,290	371,820	336,310
Short sales	Sept. 4	------	------	------	------
Other sales	Sept. 4	320,430	304,290	371,820	336,310
Round-lot purchases by dealers— Number of shares	Sept. 4	600,300	499,150	563,640	325,190
TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):					
Total round-lot sales—					
Short sales	Sept. 4	467,110	448,020	512,530	554,170
Other sales	Sept. 4	11,482,210	10,446,460	12,936,440	11,766,890
Total sales	Sept. 4	11,949,320	10,894,480	13,448,970	12,321,060
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49 = 100):					
Commodity Group—					
All commodities	Sept. 22	119.6	119.6	119.3	118.9
Farm products	Sept. 22	89.1	*88.9	87.1	92.3
Processed foods	Sept. 22	107.4	*107.8	107.0	111.4
Meats	Sept. 22	99.8	*100.8	97.5	110.0
All commodities other than farm and foods	Sept. 22	128.3	128.3	128.3	126.0

*Revised figure. ¶Includes 979,000 barrels of foreign crude runs. §Based on new annual capacity of 147,633,670 tons as of Jan. 1, 1959, as against Jan. 1, 1958 basis of 140,742,570 tons. †Number of orders not reported since introduction of Monthly Investment Plan. ‡Prime Western Zinc sold on delivered basis at centers where freight from East St. Louis exceeds one-half cent a pound.

	Latest Month	Previous Month	Year Ago
BANKERS' DOLLAR ACCEPTANCES OUTSTANDING — FEDERAL RESERVE BANK OF NEW YORK—As of August 31:			
Imports	$287,075,000	$258,737,000	$255,652,000
Exports	321,791,000	333,894,000	384,855,000
Domestic shipments	15,097,000	12,610,000	21,318,000
Domestic warehouse credits	14,229,000	13,700,000	316,156,000
Dollar exchange	56,331,000	84,940,000	131,175,000
Based on goods stored and shipped between foreign countries	251,498,000	253,216,000	253,939,000
Total	946,021,000	957,097,000	1,363,895,000
BUILDING PERMIT VALUATION — DUN & BRADSTREET, INC.—215 CITIES—Month of July:			
New England	$33,612,245	$34,082,421	$25,783,464
Middle Atlantic	186,990,414	140,681,398	160,066,771
South Atlantic	63,267,192	64,230,417	64,178,226
East Central	141,691,559	130,838,273	123,215,009
South Central	111,323,848	94,254,005	118,323,349
West Central	56,570,641	52,384,764	37,250,830
Mountain	42,417,641	33,509,094	35,202,075
Pacific	120,814,474	149,271,580	160,215,945
Total United States	$756,688,014	$698,250,952	$724,235,669
New York City	134,670,689	85,266,220	104,770,856
Outside New York City	622,017,325	612,984,732	619,464,813
BUSINESS FAILURES—DUN & BRADSTREET, INC.—Month of August:			
Manufacturing number	187	203	206
Wholesale number	103	113	108
Retail number	542	518	549
Construction number	181	137	158
Commercial service number	122	100	106
Total number	1,135	1,071	1,127
Manufacturers' liabilities	$18,559,000	$14,592,000	$15,742,000
Wholesale liabilities	5,359,000	5,078,000	8,863,000
Retail liabilities	15,362,000	17,052,000	14,347,000
Construction liabilities	12,061,000	11,328,000	8,687,000
Commercial service liabilities	3,160,000	3,147,000	3,126,000
Total liabilities	$54,501,000	$51,197,000	$50,765,000
BUSINESS INCORPORATIONS (NEW) IN THE UNITED STATES—DUN & BRADSTREET, INC.—Month of August	14,329	16,562	12,234
COMMERCIAL PAPER OUTSTANDING—FEDERAL RESERVE BANK OF NEW YORK—As of August 31 (000's omitted)	$795,000	$759,000	$981,000
INDUSTRIAL PRODUCTION—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM—1947-49=100—Month of August:			
Seasonally adjusted	149	153	136
Unadjusted	147	144	136
INTERSTATE COMMERCE COMMISSION—			
Index of Railway Employment at middle of August (1947-49=100)	62.4	64.2	64.3
PERSONAL INCOME IN THE UNITED STATES (DEPARTMENT OF COMMERCE)—Month of August (in billions):			
Total personal income	$381.4	*$384.0	$362.4
Wage and salary receipts, total	258.9	*261.5	241.3
Commodity producing industries	106.7	*109.9	97.9
Manufacturing only	83.9	*86.9	76.7
Distributing industries	68.5	*68.4	64.3
Service industries	37.6	37.3	35.0
Government	46.1	45.9	44.1
Other labor income	10.1	10.1	9.3
Business and professional	34.9	*34.9	32.6
Farm	11.2	*11.9	14.2
Rental income of persons	12.0	12.0	11.9
Dividends	13.4	*13.2	12.6
Personal interest income	22.6	22.4	20.5
Transfer payments	26.6	*26.3	27.2
Less employees' contribution for social insurance	8.4	8.4	7.1
Total nonagricultural income	366.4	*368.3	344.5
PORTLAND CEMENT (BUREAU OF MINES)—Month of July:			
Production (barrels)	34,182,000	33,455,000	29,833,000
Shipments from mills (barrels)	37,046,000	36,082,000	32,281,000
Stocks at end of month (barrels)	30,417,000	*33,605,000	30,646,000
Capacity used (per cent)	99	100	90
RAILROAD EARNINGS CLASS I ROADS (ASSOCIATION OF AMERICAN RRs.)—Month of July:			
Total operating revenues	$831,605,157	$899,832,007	$779,609,680
Total operating expenses	658,498,911	674,200,623	627,385,000
Taxes	85,788,103	108,138,199	74,686,446
Net railway operating income before charges	48,891,531	89,377,687	51,820,658
Net income after charges (estimated)	32,000,000	73,000,000	32,000,000
RUBBER MANUFACTURING ASSOCIATION INC.—Month of July:			
Passenger Tires (Number of)—			
Shipments	9,241,937	8,885,554	8,317,705
Production	9,856,774	9,022,197	6,367,899
Inventory	16,853,356	16,134,426	15,500,667
Truck and Bus Tires (Number of)—			
Shipments	1,289,904	1,351,916	1,255,497
Production	1,366,424	1,297,797	919,921
Inventories	3,023,225	2,953,973	3,114,255
Tractor Implement Tires (Number of)—			
Shipments	326,178	353,746	274,947
Production	409,154	344,794	275,981
Inventory	789,035	679,204	652,631
Passenger Motorcycle, Truck and Bus Inner Tubes (Number of)—			
Shipments	3,947,767	3,871,509	3,465,795
Production	4,344,655	3,683,192	2,889,695
Inventory	7,559,521	6,999,506	7,680,282
Tread Rubber (Camelback)—			
Shipments (pounds)	42,100,000	43,428,000	39,149,000
Production (pounds)	46,748,000	45,434,000	38,564,000
Inventory (pounds)	31,478,000	27,163,000	30,372,000
SELECTED INCOME ITEMS OF U. S. CLASS I RYS. (Interstate Commerce Commission)—Month of June:			
Net railway operating income	$89,377,686	$87,465,592	$67,310,189
Other income	22,944,530	24,179,466	22,635,750
Total income	112,322,216	111,645,058	89,945,939
Miscellaneous deductions from income	4,259,840	4,101,781	4,850,386
Income available for fixed charges	108,062,376	107,543,277	85,095,553
Income after fixed charges	76,828,699	76,049,263	53,301,959
Other deductions	4,238,105	4,344,239	3,757,960
Net income	72,590,594	71,705,024	49,543,999
Depreciation (way & structure & equipment)	51,048,225	50,916,262	50,259,921
Federal income taxes	36,782,886	33,685,030	18,712,410
Dividend appropriations:			
On common stock	20,901,589	30,616,340	22,416,144
On preferred stock	840,125	4,670,310	839,967
Ratio of income to fixed charges	3.46	3.41	2.68
TREASURY MARKET TRANSACTIONS IN DIRECT AND GUARANTEED SECURITIES OF U. S. A.—Month of August:			
Net sales	------	------	------
Net purchases	$18,255,150	$32,194,900	$19,170,900

Continued from page 61

for the account of certain selling stockholders. **Underwriter**—Indianapolis Bond & Share Corp., Indianapolis, Indiana.

Scott & Fetzer Co.
Sept. 14 it was reported that the company plans early registration of 100,000 shares of common stock. **Business** — Manufactures vacuum cleaners. **Underwriters**—Kidder, Peabody & Co., New York, and McDonald & Co., Cleveland, Ohio.

South Carolina Electric & Gas Co.
June 22, S. C. McMeekin, President, announced plans to sell approximately $8,000,000 of bonds in December, 1959. **Proceeds**—To repay bank loans incurred for current construction program. Previous issues have been placed privately.

Tampa Electric Co.
Sept. 14 it was reported that the company is planning the sale of about $7,000,000 of additional common stock, probably in the form of a rights offering and a negotiated underwriting. Last rights offering was underwritten by Stone & Webster Securities Corp., New York.

Tex-Tube, Inc.
Aug. 28 it was announced that the stockholders of this company have authorized an additional 150,000 shares of common stock. **Proceeds**—For working capital. **Underwriter**—Moroney, Beissner & Co., Houston, Tex. **Offering** — Expected in the near future of a block of common stock.

★ Transcontinental Gas Pipe Line Corp.
Sept. 29 it was announced that the company plans to come to market twice in 1960 with the sale of first mortgage bonds, and common and preferred stock. **Proceeds**—To raise permanent funds for the financing of its 1960 expansion program. **Office**—Houston, Texas.

Transwestern Pipe Line Co.
Aug. 25 it was reported that this company expects to issue and sell $40,000,000 to $50,000,000 of new securities, probably in units. **Proceeds**—To build a pipe line from West Texas to the Arizona-California border. **Underwriters**—Lehman Brothers and Merrill Lynch, Pierce, Fenner & Smith Inc., both of New York.

Trav-ler Radio Corp.
Sept. 10 it was reported that the company is contemplating the issuance and sale of some additional common stock. **Underwriters**—Lee Higginson Corp., New York; and Straus, Blosser & McDowell, Chicago, Ill.

• United States Fidelity & Guaranty Co.
Bids were to be received up to noon (EDT) on Sept. 24 at Fidelity-Baltimore National Bank, 10 Light St., Baltimore 3, Md., for the purchase from the company of 3,232 shares of capital stock. **Proceeds**—To stockholders entitled to receive fractional shares in connection with 10% stock dividend declared on Aug. 26, 1959.

• Velvex Mid-City Parking Center
Sept. 22 it was reported that $1,015,000 of partnership participations will be registered in the immediate future with the Attorney General of the State of New York, for offering to New York State residents only. **Price**—$2,500 per unit. **Proceeds**—To purchase the property at 8th Avenue and 44th St., New York City. **Underwriter**—First Republic Underwriters, 49 W. 32nd St., New York 1, N. Y. **Offering**—Expected any day.

★ Waukesha Motor Co.
Sept. 29 it was announced that this company plans the sale of 100,000 shares of capital stock. To provide for the proposed financing stockholders will be asked at their annual meeting Oct. 20 to approve an increase in authorized capital stock from 600,000 to 1,000,000 shares Initial offering of the shares will be made to stockholders "on a tentative basis" of one new share for each five shares held. The offering price and underwriters have not as yet been determined. **Proceeds**—For working capital. **Office**—Waukesha, Wis.

Wisconsin Public Service Co. (10/29)
Sept. 21 it was reported that the company plans the issuance and sale of $8,000,000 of 30-year first mortgage bonds due 1989. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; White, Weld & Co.; Kidder, Peabody & Co.; The First Boston Corp.; Kuhn, Loeb & Co. and American Securities Corp. **Bids**—Expected to be received up to 11 a.m. (EST) on Oct. 29. **Registration** — Scheduled for Oct. 1.

Worcester County Electric Co. (12/7)
Sept. 17 it was announced that this company plans to issue and sell $7,500,000 of first mortgage bonds, series E, due 1989. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; Blyth & Co., Inc., and White, Weld & Co. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.; The First Boston Corp.; Coffin & Burr, Inc. **Bids**—Expected to be received on Dec. 7.

World Fidelity Life Insurance Co.
Aug. 17 it was reported that the company plans to use its best efforts to register 5,000,000 shares of common stock with the SEC. **Price**—$1 per share. **Office**—314 First National Bank Bldg., Colorado Springs, Colo.

Yellow Transit Freight Lines, Inc.
Sept. 1 it was announced that subject to ICC approval, it is planned to offer 206,000 shares of common stock, of which, 100,000 shares will be for the company's account and the remaining 106,000 shares for the account of certain selling stockholders. **Proceeds**—For working capital. **Underwriter**—Blyth & Co., Inc., New York. **Offering**—Expected sometime in October.

Our Reporter's Report

The investment markets, secondary and new issue, topped off a little this week after several days of rally in Treasury and high-grade corporate obligations. Sentiment seemed a little better, but institutions and people were slow to put their funds to work at prevailing levels.

The impending Treasury announcement, expected late today (Oct. 1) of plans for raising $4 billion of new cash, hung over the market place. Not that there was much mystery about what that agency might do.

With Congress having refused to raise, or suspend the ceiling on interest rates on bonds of five years or longer maturity, Secretary Robert B. Anderson had little choice but ot go into the short-term money market for his needs.

About the only thing the politically-minded Congress did was to assure that the Treasury, instead of being allowed to attempt to stretch out its debt, would be forced to refinance portions of it not only once but at least twice within a given short span of time.

But the market does, observers say seem to be seeking a new base somewhere in the current price-yield area. While there is no overwhelming rush to buy—it probably couldn't be satisfied anyway at anywhere near present levels — the fact remains that bargain hunters appear to be nibbling steadily and reducing the floating supply of seasoned high-grade issues.

Non-Callable Clause

The value which some investors place on the non-callable clause was demonstrated this week when Southern California Gas Co. brought out $30 million of 25-year bonds carrying such a clause.

Three groups bid for the issue to carry a 5⅜% interest rate and the successful syndicate repriced the bonds to return a yield of 5.25% to the buyer.

Just a week ago New England Telephone brought out a bond issue of $45 million carrying the same rating, but callable at any time at the option of the company. These bonds were bid for as 5¾% and priced to yield 5⅝%.

Investment interests figure that the non-callable clause in the first mentioned issue accounted for at least ¼% of the differential in yield on the two issues.

Out-the-Window

The Southern California Gas Co.'s flotation was a roaring success, judging from reports of a heavy influx of buying orders.

Some observers were a bit upset that institutional buyers should draw such a line of demarcation almost wholly on the element of protection for five years against the refinancing of an issue at a lower rate.

But the fact remains that the current issue was reported moving at a premium, with the brisk response seemingly giving the general market something of a lift.

Another Dull Week

Prospective borrowers are not disposed to rush into the money market judging from the continued light new issue roster. Next week's calendar is just about as sparse as we have seen.

Once more there is the customary long list of small-sized prospects on the list for Monday but with very little likelihood that more than a few of these will materialize.

On Tuesday Electronic Communications Inc. has $5 million of debentures set for marketing. And, on Thursday, the week's largest undertaking, $25 million of Columbia Gas System Inc., debentures will be up for bids.

Kayser-Roth Corp. Private Placement

Kayser - Roth Corp. through Hemphill, Noyes & Co., has placed privately with institutional investors $8,000,000 of notes due June 1, 1973, it was announced on Sept. 30.

Joins Frank L. Walker

(Special to The Financial Chronicle)

MARIETTA, Ohio—William H. Storms has joined the staff of Frank L. Walker & Co., Peoples Bank Building.

Forms Siegel Trading

Siegel Trading Co., Inc. is conducting a securities business from offices at 6 Harrison Street, New York City.

Manpower, Inc. Common Stk. Offered

Smith, Barney & Co. and Associates on Sept. 29 publicly offered 150,000 shares of common stock (par $1) of Manpower, Inc. at $15 per share.

The shares being offered are outstanding shares which are being purchased by the underwriters from certain selling stockholders. hence the company will receive no part of the proceeds.

The company and its licensees constitute the largest temporary help service organization in the world, operating directly or through licensees 174 offices located in the United States, Canada and in nine foreign countries, Services are furnished, principally on an hourly, daily or weekly basis, to industrial concerns, insurance companies, stores, warehouses, banks, governmental agencies and many other types of business and professional organizations. The company and its licensees furnish their services through use of their own personnel and do not operate as employment agencies. The principal executive offices of the company are located at 820 North Plankinton Ave., Milwaukee 3, Wis.

It is the present intention of the Board of Directors to declare and pay quarterly cash dividends on the common stock, subject to future business conditions and the operations and financial needs of the company. On Sept. 27, 1959, the Board of Directors declared an initial quarterly dividend of 10 cents per share, payable Dec. 5, 1959 to holders of record Nov. 20, 1959.

With Stone & Webster

(Special to The Financial Chronicle)

BOSTON, Mass. — Dexter A. Dodge is now connected with Stone & Webster Securities Corporation, 49 Federal Street.

Joins DiRoma, Alexik

(Special to The Financial Chronicle)

SPRINGFIELD, Mass. — James S. Smith has become affiliated with DiRoma, Alexik & Co., 1387 Main Street.

H. L. Robbins Adds

(Special to The Financial Chronicle)

WORCESTER, Mass. — Alex F. Newton is now with H. L. Robbins & Co., Inc., 37 Mechanic Street.

Irving Ross Opens

Irving Ross is conducting a securities business from offices at 125 Fifth Avenue, New York City.

Form Davis-Goldstein

Davis-Goldstein Associates, Inc. is conducting a securities business from offices at 565 Fifth Avenue, New York City.

DIVIDEND NOTICES

WOODALL INDUSTRIES INC.

The regular quarterly dividend of 30¢ per share on the Common Stock has been declared payable October 15, 1959, to stockholders of record October 5, 1959.

M. E. GRIFFIN,
Secretary-Treasurer

OTIS ELEVATOR COMPANY

COMMON DIVIDEND NO. 212

A quarterly dividend of $.60 per share on the Common Stock has been declared, payable October 23, 1959, to stockholders of record at the close of business on October 2, 1959.
Checks will be mailed.

H. R. FARDWELL, *Treasurer*
New York, September 23, 1959.

CLEVITE
CORPORATION
CLEVELAND, OHIO

is paying a dividend of 30 cents a common share on September 28, 1959. This is the company's 149th consecutive quarterly dividend.

NEWS AT CLEVITE:

Our precision products are included in every make of U. S. car, including all of the new "compact" models.

DIVIDEND NOTICES

SUPERCRETE LTD.
ST. BONIFACE, MAN.
NOTICE OF DIVIDEND

Notice is hereby given that the Board of Directors has declared a stock dividend at the rate of four (4) fully paid and non-assessable Common Shares of the Capital Stock of the Company of the par value of twenty-five (25¢) cents each on every one hundred (100) outstanding Common Shares of the Company.

The said 4% stock dividend is allotted pro rata to the holders of Common Shares of record at the close of business on the 12th day of October, 1959, and the shares so issued shall carry a date not later than the 2nd day of November, 1959.

P. R. DUNSMORE, C. A.,
Secretary-Treasurer.

PACIFIC FINANCE CORPORATION

DIVIDEND NOTICE

A regular quarterly dividend of 29 11/16 cents per share on the preferred stock ($25 par value), 4¾% sinking fund series, payable November 2, 1959, to stockholders of record October 15, 1959, was declared by the Board of Directors on September 23, 1959.

B. C. REYNOLDS, *Secretary*

Pacific Gas and Electric Company

DIVIDEND NOTICE
COMMON STOCK
DIVIDEND NO. 175

The Board of Directors on September 16, 1959, declared a cash dividend for the third quarter of the year of 65 cents per share upon the Company's common capital stock. This dividend will be paid by check on October 15, 1959, to common stockholders of record at the close of business on September 25, 1959.

K. C. CHRISTENSEN,
Vice President and Treasurer
San Francisco, Calif.

P·G·and E·

Washington and You

BEHIND-THE-SCENES INTERPRETATIONS FROM THE NATION'S CAPITAL

WASHINGTON, D. C.—The railroads have taken the gloves off. They are going all out in an effort to recapture some of the business lost to truckers. The Interstate Commerce Commission has issued a sweeping order permitting a reduction of volume rates for freight forwarders between New York and Chicago.

Today the trucking industry, which has gotten to be big business, is extremely unhappy over the order authorizing freight forwarders to handle shipments weighing as much as 30,000 pounds, Heretofore, forwarders have not attempted to compete generally for shipments in excess of 10,000 pounds.

As a result of the Commission's order which opens up a greater avenue of business for the freight forwarders, the railroads have a reason to believe that they are going to get a substantial share of this business that has been moved by the truckers.

The trucking industry is maintaining that the ICC directive abolishes the long-established method of determining rate-making. Spokesmen for the trucking industry further maintain that the order sets the stage for destructive competition.

While the steel strike has hurt the railroads nevertheless the outlook for these carriers the fourth quarter of 1959 is good. The whole picture for the industry in 1960 is on the favorable side.

Ever since the business recovery from the recession started, railway traffic has been edging up, but truck traffic has shown a sensational rise.

"The failure of the railroads to participate in the country's prosperity to the same extent as the truckers is explained in large part by the character of the traffic handled by the two competing media today," the authoritative "Railway Age" says. "Truckers, by and large, are handling the larger percentage of non-durables and durables, and light industrial equipment. Railroads get their maximum traffic when heavy industry particularly is engaged in large capital expenditures programs."

Trucking Industry Overruled

The ICC ruling, which has the truckers thundering, may well be the spark that the railway industry needs for stronger and healthier years ahead. The trucking industry had hoped that the freight forwarders would always be confined to the handling of small shipments which would not normally move in truckload lots.

In the ruling involved, the freight forwarders offering the service on shipments up to 30,000 pounds, have been using so called "piggyback" service. Piggyback service is freight loaded in highway trailers and transported on railway flat cars.

The ICC, which has long been accused of over-regulation of the railways and thus causing some of the ills of the carriers, said the proceedings in the "piggyback" case raised a series of questions. These include whether freight forwarders may handle any size shipments, and whether a highway trailer transported on a railway flatcar under the proposed rates is an instrumentality of transportation and, if so, may a freight forwarder supply it, and whether the proposed rates are intrinsically lawful.

The regulatory agency of the Government gave affirmative answers to these and other questions, thus rejecting the contentions of various motor carrier protestants.

Daniel P. Loomis, President of the American Association of American Railroads, in a recent address here in the Nation's Capital, declared that all railroads are fighting the "same battle against patchwork policies of oppressive taxation, discriminatory regulation and government favoritism toward other carriers."

Railroading has no more than barely held its own against powerful political forces that continually demand selfish monetary gain at the expense of long-run general good, said President Loomis. At the same time he pointed with strong hope for the fututre. There is no question that railroading is at a momentous, historic crossroads. The railroads are a vital and important cog in our economy.

Carriers Bright Outlook

Next year, the beginning of the "sizzling sixties," it is estimated that the freight carloadings will reach 36,000,000. Also next year the railroads are expected to spend approximately $3,000,000,000. Of course many new freight cars will be bought by the railroads. "Railway Age" says expected increases in piggyback traffic alone should put the carriers in the market for at least 3,000 flat cars.

"Overall, probably 80,000 freight cars will be sought by the railroads themselves," said the publication, "not including orders by carrier-owned refrigerator car lines and by other private lines. Passenger car orders probably will be confined mainly to rapid transit equipment ordered by the several cities which furnish such service to their residents.

"There should be considerable activity in the locomotive field next year also. A lot of power will be upgraded and many new locomotives ordered. Altogether we estimate that about 1,100 locomotive units will be upgraded or replaced with new power. Among other things: several thousand trailers for their piggyback services; about $25,000,000 of maintenance work equipment; 1,200-1,500 miles of centralized traffic control; equipment for several new or rebuilt retarder yards; 1,000-1,200 mobile radio units, and about 1,000 units of carrier communication equipment."

Hard Fight Facing the Industry

Mr. Loomis in his Washington address expressed complete confidence that the railroads are going to share the great national growth during the 1960's. He has reason to believe that. There seems to be little doubt that the railway passenger train service will be further curtailed, but it is a national necessity that the railway freight hauling business be kept on sound grounds.

President Loomis is correct in facing up to the battles that loom ahead for the industry. He acknowledges that they will have to fight, perhaps bitterly, for every inch of ground to win. Why will they have to fight? "Because of the awesome expansion of carriers using to the hilt at low cost or no cost our publicly built highways, waterways and airports and airways."

Railroads will be challenged right and left at every turn, in the opinion of Mr. Loomis. Meantime, railroaders are "tired of being forced to play the transportation game against others holding loaded dice."

The fact that the railroads have taken off their gloves and begun waging an offensive battle and plan to continue it in the future, was pointed up in Mr. Loomis' address when he paraphrased Winston Churchill's immortal "blood, sweat and tears" speech of World War II to the British people.

"Success for railroads in our time demands," he said, "that we never stop fighting for a fair deal from government. We shall fight in the Congress, we shall fight in the regulatory agencies, we shall fight in the State Houses and in the City Halls, we shall fight in the courts; we will never give up.

"Given that kind of fighting spirit, I know and you know where railroads will go from here. Given forceful action by the government to equalize the competitive balance in transportation, railroads themselves can push forward with the improved services and low competitive prices that could launch railroading on a mammoth new expansion program. Far from seeing the twilight of the rails, we could be on the threshold of a new golden age of railroading —one of unprecedented traffic volume and undreamed - of levels of performance and service to the American poeple."

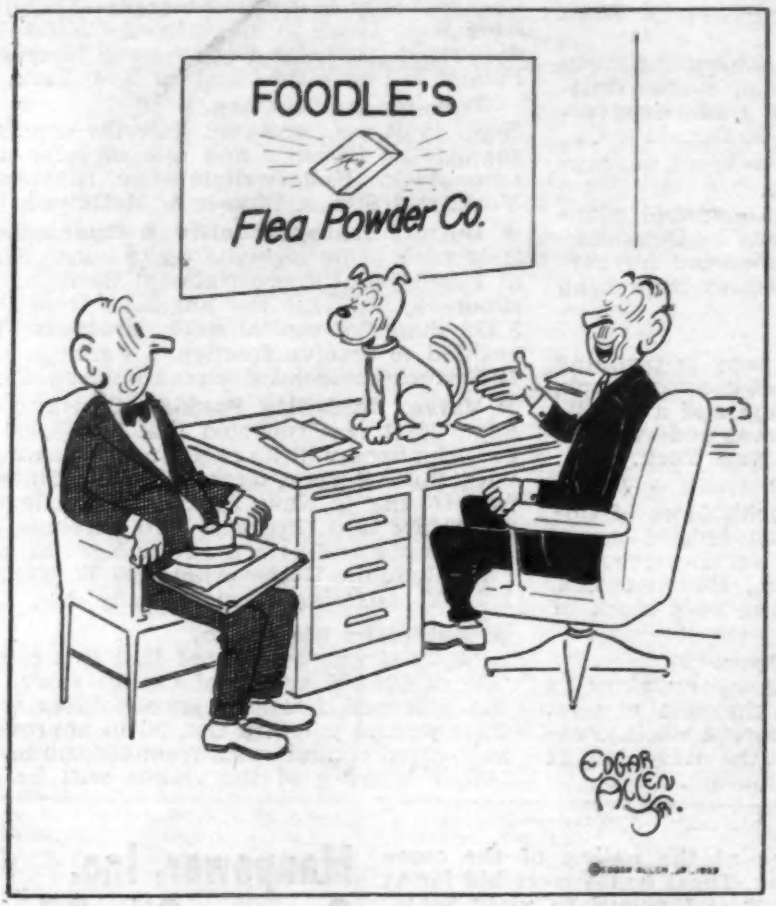
Railroad Legislation

There were numerous bills introduced in Congress this year as part of the proposed legislative program for the railroad industry. They all went over until the 1960 session. The measures include proposals for tax relief to permit more realistic depreciation arrangements, repeal of the tax on passenger fares, and permit more freedom to railroads to operate other modes of transportation. The outlook appears brightest for income tax arrangements to provide shorter depreciation terms for rolling stock.

The only important piece of railroad legislation to be enacted into law by Congress in 1960 was a measure liberalizing benefit provisions of the Railroad Retirement and Railroad Unemployment Insurance Acts. It was passed over the opposition of the railroads. The Association of American Railroads estimates it will cost the railroads about $200,000,000 a year.

[This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.]

BUSINESS BUZZ



"Yes, Rover and I built this business from scratch!"

Businessman's BOOKSHELF

Agriculturally Trained Men in Banking — American Bankers Association, 12 East 36th Street, New York 16, N. Y. (paper), 50¢.

British Government Publications —British Information Services, 45 Rockefeller Plaza, New York 20, N. Y., annual subscription, 45¢.

Bureau of the Census Publications On Governments — Annual Reports Scheduled for Issuance in the Fiscal Year 1960—U. S. Department of Commerce, Bureau of the Census, Washington 25, D. C. (paper).

Business Statistics, 1959 Edition— U. S. Department of Commerce, Office of Business Economics— Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), $2.25.

Comments on the Preservation of the Common Carrier System in the United States—Traffic Service Corporation, 815 Washington Building, Washington 5, D. C. (paper), 25¢ (quantity prices on request).

Factors in Special Fire Risk Analysis—William Durant Milne —Chilton Co., 56th and Chestnut Streets, Philadelphia 39, Pa., $10.

Finances of Municipalities and Township Governments: 1957 Census of Governments—U. S. Department of Commerce, Bureau of the Census — Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. (paper), $2.25.

International Bank for Reconstruction and Development: Fourteenth Annual Report, 1958-59—International Bank for Reconstruction and Development, Washington, D. C.

International Finance Corporation —Third Annual Report, 1958-1959 — The International Finance Corporation, 1818 H St., N. W., Washington 25, D. C.

Islamic Law in the Modern World —J. N. D. Anderson—New York University Press, 32 Washington Place, New York 3, N. Y., $2.75.

Proposals for Positive Action: Remarks on the floor of the U. S. Senate by Senator Styles Bridges and Senator Homer E. Capehart, regarding the Transportation Act of 1958 — Association of American Railroads, Washington, D. C. (paper).

Statistics of Income, 1957, Individual Income Tax Returns— Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C., 75¢.